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LIBRARY

JULY 1, 1933

**The Magazine for
MARKETING EXECUTIVES**

management

**Bad Trade Practices
and the Government's
New Control Bill . . .**

**GE Sells 2,000 Car-
loads of Refrigerators
in 60-Day "Man Hunt"**

**Four Star Salesmen—
and How They Licked
the Depression**

TWENTY CENTS



Introducing Bruce Hall

EFFECTIVE at once, Mr. Bruce Hall will represent SALES MANAGEMENT in the Southern states—that rich section bounded by Richmond and Louisville on the North and New Orleans in the West.

HIS early experience was with newspapers in the South, and covered both editorial and advertising work. For the last twelve years he has occupied important posts in the farm paper field; first in the advertising department of *Southern Ruralist*, and later as advertising manager of that magazine. Following the merger of *Progressive Farmer* and *Southern Ruralist* in 1930 he was made manager of the market research, sales promotion and merchandising departments of the merged magazines, and in charge of sales for the Southeast.

HE brings to SALES MANAGEMENT a rich experience in sales and advertising, an intimate acquaintanceship with Southern advertisers and agencies, and a keen appreciation of SALES MANAGEMENT based upon a personal subscription which dates back to the early days of this magazine.

Gentlemen, Mr. Hall!

SALES
management

420 Lexington Avenue, New York

333 N. Michigan Avenue,
Chicago,
C. E. LOVEJOY, JR., *Manager*

29 East de la Guerra,
Santa Barbara, California
W. S. CARPENTER, *Manager*

152 Superior Street,
Decatur, Georgia,
BRUCE HALL, *Manager*

SIXTEEN SURVEYS

to determine the most
effective method of
catalogue distribution
in the building market

Everyone interested in
selling the building market
should have a copy of
this book

MAIL COUPON TO OBTAIN YOUR COPY

SWEET'S CATALOGUE SERVICE

119 West 40th Street, New York, N. Y.

Send me a copy of "SIXTEEN SURVEYS"

Name

Company

Address

HUNDREDS OF NEW BREWERIES

are now springing up

HERE ARE IMMEDIATE SALES

Every day the city newspapers record the plans for the opening of new breweries.

That means sales--and, in most cases, immediate sales. And not only that, but sales of equipment that many of the breweries operating at present have not as yet been forced to buy as their plants were at least fitted to begin operations because of previous manufacture of near beer.

Breweries starting now are those who either closed down entirely at the advent of prohibition or are new in the industry. Both require new equipment.

Even with all this activity, however, many salesmen of brewery equipment and supplies report that it is practically impossible to tell the brewers their story. That's partially true. The brewers are busy--extremely busy--but they are, nevertheless, interested in equipment. Their problem is a question of saving time.

That's exactly why brewery equipment manufacturers everywhere are turning to MODERN BREWERY for assistance in getting the proper audience with the important brewery executives.

A perusal of any recent issue of MODERN BREWERY will convince you of its outstanding leadership in the brewery field. Such well known companies as General Electric Company, Crane Company, Cutler-Hammer, Inc., York Ice Machinery Corporation, Minneapolis Honeywell Company, Consolidated Paper Company, Grinnell Company, Worthington Pump and Machinery Corporation, Dodge Brothers Motor Truck Company, Federal Motor Truck Company, The B. F. Goodrich Rubber Company, Goodyear Tire and Rubber Company, United States Tire Company and many others are admittedly smart buyers of advertising space. They all use MODERN BREWERY exclusively to cover this field.

There is, of course, a reason. If you have something to sell the brewing industry, all we ask is the opportunity to discuss the subject with you. Will you write us?

• •

MODERN BREWERY

205 East 42nd Street
NEW YORK, N. Y.

333 North Michigan Avenue
CHICAGO, ILL.

Survey of Surveys

BY WALTER MANN

2nd Listening Area Survey by Columbia

Like its counterpart, published in 1931, this big board-covered volume entitled, "Listening Areas of the Columbia Broadcasting System," provides, as its name implies, an individual listening area map for each station affiliated with this well-known chain. These maps are based on the same method of measurement as was used in the earlier volume in 1931. And the agreement between the two series of maps is nothing short of striking.

Long and violent has been the argument regarding the best method of measuring radio station circulation and influence areas. Each method has its strong adherents, and Columbia is not backward in claiming its method is the best and that it has the endorsement of the buyer's side of radio. Columbia (says the preface) "recognized no viewpoint but the advertiser's. It didn't fumble for a compromise with engineers or station owners," but "set out to answer one question--'Where will an average program, broadcast under average conditions, be heard by Columbia listeners?'--and reduced the answer to a guaranteed minimum of coverage, not a theoretical or 'potential' maximum of coverage." Strong words, these, O Columbia, gem of the ether! But boldly and convincingly spoken!

What, then, is an average condition of radio listening, i.e., the condition that faces the average advertiser broadcasting an average program? Fearing nothing, Columbia set about their re-creation. They chose a week in October in which to make an average appeal for an inexpensive booklet ("A Trip Through Radio Land," by John Martin), a booklet having interest but no intrinsic value. They broadcast (alternate daytimes and evenings) for an average period, viz: 60 seconds, the appeal to send for this booklet. Without preliminary publicity, without newspaper listings or other exploitation, the check-up of areas was "on" in earnest. It delivered for area analysis a total of 240,000 responses. From this analysis, it developed that there are really four levels of audience intensity, viz: Intense Coverage, Very Good Coverage, Regular Listeners, and Occasional Listeners. In the relief maps (used this year instead of colors to show the various areas for these four degrees of intensity) and the tables which are given for each station of the network, the tabular division is by two groups only, viz: Primary coverage and secondary coverage. Intense and Very Good came under the primary coverage group, while the secondary coverage comprised the Regular and Occasional Listeners.



Pirie MacDonald
Walter Mann

For each station is given the following information: the name and call insignia of the station; its strength in terms of watts, kilocycles and meters; vital information on Number of Counties, Urban vs. Rural Population, Total Population, Total Number of Families, Number of Radio Homes, Radio Listeners, Per Capita Savings, Number of Residence Telephones, of Passenger Automobiles, of Domestic Gas Customers, of Electric Wired Homes and of Total Annual Retail Sales. Manifestly, therefore, this book is chock-a-block with valuable information. Get your copy today. You're missing something if you haven't had one for a month or more. Address Columbia Broadcasting System, 485 Madison Avenue, New York City.

Shoe Retailing

First of a new series on retail distribution started in May by the Department of Commerce is a 46-page pamphlet, large pocket-size, entitled "Shoe Retailing." In it appears much invaluable data on shoe stores and their operation (Chapter 1), on the sale of related commodities in shoe stores (Chapter 2), on marketing shoes through retailers (Chapter 3), plus a lot of interesting tables, charts and maps, based on the Census of Distribution and other sources. Typical of the pamphlet's contents is Chapter 1 on "Shoe Stores and Their Operation." First we have a general description of the shoe store as a retail business. We find facts on the number of shoe stores and the size of sales, the sizes of various stores, the geographic distribution of both stores and sales, and a table showing each state in order of its shoe sales. Next we have some observations on how the size of the city affects sales, also other factors that affect them. Dope on cash vs. credit sales, with an important summary table. Dope on Independents vs. Chain Stores, details regarding shoe chains. Information on the cost of doing business, the cost of rent, on stocks on hand, the real low-down on returned goods, allowances, etc., etc. The other chapters are equally meaty on subjects as listed above. The whole thing was prepared by John Guernsey, one of the most capable men in the department, who got the political axe waved at him and, I'm told, quit before it fell. Send direct to the Department of Commerce for your copy. Ask for Distribution Bulletin No. R-80.

European Chemicals in 1932

Another government pamphlet which should have been mentioned long ago is that one listed under the title, "The European Chemical Industry in 1932." Conditions may have changed so since this pamphlet was published that much of its data will be comparatively ancient by the time you get around to ask for it, but worth having just the same. It is obtainable from the Superintendent of Documents at Washington, D. C. Ask for Trade Information Booklet No. 813. 10c.

THE HONEYMOON

IS OVER WHEN THE BRIDE BEGINS TO BUY

The honeymoon is over, relays Winchell, when he starts kissing her with his eyes open. It ends long before that, Walter. The bride's first shopping tour sounds the knell of love's young dream, as far as two getting by as cheaply as one is concerned.

The groom's eyes may still close in ecstasy when he kisses her, but they pop open when the bills come in. If he's the stuff good customers are made of, he settles a little deeper in the harness so he can settle up a little easier on the tenth of the month following purchase—and a market is sweetened by a family on the climb.

There's no richer source of sales than a young family, growing in size and

needs and income, buying more food and furniture, bassinets and buggies, clothing and cars. The more of such families you reach, the more certain are your sales. In Chicago, you are surest of reaching a maximum proportion of such families in the Chicago American, because it is the younger Chicago family's preferred evening paper.

CHICAGO



AMERICAN

a good newspaper

National Representatives:

RODNEY E. BOONE ORGANIZATION

The Human Side of Selling



Salesman

A chap by the name of Howard Carter, Plymouth salesman in Baltimore, just naturally has the selling habit. Waiters, bus conductors, bridge partners, icemen, candle-makers—they all look like prospects to him. Carter sells wherever he is. Even in traffic he watches for prospects. On a recent summer's day a car pulled up beside him at a red light stop. Carter grinned at the driver and said, "Hello!"

"Hello, yourself!" the driver replied, and grinned back.

Said Carter: "You need a new car!"

Said the driver: "You bet I do!"

Said Carter: "Here's my card. Wouldn't you like to drive down to the showroom with me and see my nifty new Plymouth?"

Said the driver: "I might at that. How far is it?"

Carter took him to the showroom, demonstrated a car. Had his order for a Standard Plymouth in less than an hour.

Standard Oil Theory

Down in Washington, on Capitol Avenue, is the Folger Shakespearean Library, founded by H. C. Folger, former president of Standard Oil of New York. While he was still at Amherst, Mr. Folger became interested in a personal Shakespearean library; he began collecting for it almost as soon as he entered business in the office of Charles Pratt & Company, at that time one of the Standard Oil group. Curiously, Mr. Folger's wife, Emma Clara Jordon, was also deeply interested in Shakespeare, having obtained her M.A. degree at Vassar as a result of a thesis on Shakespeare.

Some time prior to 1919 Washington, D. C., was selected as the site for the library; it took eight years to accumulate the property. Mr. Folger died in 1930, two weeks after the laying of the cornerstone for the building. His will left \$10,000,000 to the trustees of Amherst for the maintenance of the library.

When the building was completed Mrs. Folger asked Herbert L. Pratt, now chairman of Socony-Vacuum (formed by the merger of S. O. of N. Y. and Vacuum Oil in 1931), if he hadn't some letter or other document bearing Mr. Folger's autograph, which might be suitable for hanging in the new library with Mr. Folger's picture. Mr. Pratt dug out from his files a letter dated December 11, 1922, which contains in its few lines this terse expression of Mr. Folger's management philosophy:

"Dear H. L. P.:

"Thank you for your beautiful letter from Cuba. I'm glad you like my management. But, really, it isn't management at all—I simply see that everybody keeps busy and brings in profits. Each goes along his own way without hindrance, so long as he gets results. Some will think this freedom of individual initiative and management is allowed to go too far. But the results seem to justify it.

"Years ago, when I went into another Board, I was surprised to find that the initiative in all departments was controlled by three men—and that

nothing could be considered that did not have the approval of one man. It seemed to me that business suffered greatly in consequence. So, when I had the opportunity, I determined to try the opposite plan. It seems to me to be better. We certainly have happier workers.

"Sincerely yours,
"H. C. FOLGER."

Shark's Fins and Chop Suey

There are in these United States approximately 80,000 Chinese. Their buying is highly concentrated. Mostly, it is done in the local Chinatowns and orders, mainly, are given on Sundays. Usually transactions are cash. If not, credit is of the best.

In the larger cities are a number of Chinese restaurants doing a business of from \$150,000 to \$200,000 a year. They buy from day to day. Lesser restaurants are widely scattered. Trading, with the Chinese, once established, is lasting.

Something like 32,000 Chinese are identified with the laundry business. They buy enormous quantities of washing materials. About 24,000 are identified with the restaurant trade. Some 12,000 are in farming. They equip well and are firm believers in fertilizers. Another 8,000, merchants, grocers, tradesmen, carry on a steady turnover. They are generally good merchants.

The major Chinatowns are in San Francisco, New York, Brooklyn, Seattle, Portland, Los Angeles. Lesser Chinatowns are in St. Louis, New Orleans, Cleveland and Berkeley, California. Each Chinatown is, first of all, a market place where Chinese come to trade.

It would appear, then, that the Chinese make up a rather important market. Yet, any Chinese will tell you, our national advertisers have done little to go after their business. There are approximately twenty newspapers in the United States printed in Chinese characters. Look these papers over and you will find few national advertisers represented. Some have found them. Makers of laundry machinery use their columns. Patent medicine manufacturers, of a class, use them. Steamship lines, railroads, motor buses. A few wholesale food merchants. Bond suits. The cigarettes—Chesterfields, Camels, Lucky Strikes. (The average Chinese is a hearty consumer of tobacco.)

Sta-comb has found the Chinese market. The Oriental hair is stiff and wiry and is likely to stand up. John Chinaman likes to have it flat and glossy. He is a liberal buyer of toilet articles. And every Chinese, no matter how he slops around his laundry in jeans and soft slippers, dresses like a prosperous business man on Sunday.

Personal selling is the thing among the Chinese. Friendship counts. If a Chinese knows you and likes you, no amount of price-cutting will take him away from you. He is suspicious of the price-cutter and does not respect his goods. The fresh salesman won't get very far either. The Chinese is respectful and desires respect. An attitude of superiority or familiarity doesn't go. Many an American salesman has bumped himself upon the rocks because he didn't know this.

Nor can you take it for granted that the name on the window is the name of the owner. In Chicago's Chinatown is a well-known restaurant bearing the name of Gooney Sam. Many think that Gooney Sam is the proprietor's name. Gooney Sam, in Chinese, means Heart's Desire. Dung Hing Woo means Beautiful-lake-in-the valley. But no salesman should call the owner, in familiarity, "Dung."

Perhaps the most beautiful art goods store in San Francisco's Chinatown bears on its window, "Sang Fat." It wouldn't be wise to enter joyously and call out, "Mornin' Fat!" For Sang Fat is the name of the place and means something like Finely Prosperous. The name of the familiar Hung Far Low, translated, is Cherry Blossom Terrane.

The Chinese are a feeling and poetical people. A young Chinese, asked what would be a deft approach on the part of a salesman to a Chinese prospect, laughed merrily, said, "If you could say to



Jersey is just a sanitarium for Sam—says Joe Hawley, salesmanager



IT USED to be one of Sam's delusions that the star salesman of our principal competition was just two jumps ahead of him copping all the cream. This mythical paragon was his alibi for every split case order and every turndown. He blamed the home office because we tried to make routes for him. And every once in a while he jumped the traces and sneaked around 500 miles of territory to circumvent the relentless competition. A flock of orders and new accounts always followed the jump—which proved that the boss was all wrong, or that Sam was scared enough to cast off his complex and work a while.

"I had sorta forgot this ancient superstition of Sam's the last couple of years, ever since we gave him a territory close to the home plate. Said territory consists mostly of Jersey City and a couple of smaller towns you can spit over the Hudson into. Jersey seems to be just a sanitarium for Sam. He forgot his complex and so did I until a couple of weeks ago. He sent me a special delivery, pointing out that his month's sales were an all-time high—just in case I wouldn't notice on the reports. But never a word about the competition gathering the gravy. Sam has forgotten that more competitors' salesmen pass through Journal Square than he can

count. In fact, he even complimented us a little.

"I can't figure out how you birds happened to think of it," he wrote encouragingly, 'but this Sunday News advertising is hot stuff. The competition doesn't seem to be wise to it. With our line and News advertising I can lick other lines every time.'

"It was nice to know we guess right once in a while."

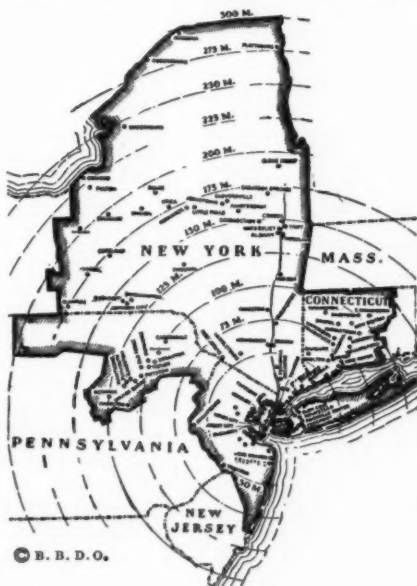
THERE are 95 cities of 10,000 population or more in the Sunday News territory where News coverage of families is in excess of 20%. Jersey City is just one of them. Half of the families which comprise its 300,000

population are reached by the Sunday News. To get as much coverage in Jersey City from magazines, you need the three leading weeklies and six women's magazines combined!

This Sunday News market has its hub in New York City, where the Sunday News goes into a million homes. The market is mostly urban, within a couple hours' train ride from New York City. It has more population, more jobs, more incomes, more sales and more buying power—concentrated in a small compact territory—than any other similar market in the world today. And it has a medium to match the market in the Sunday News.

If you are not selling hard in this market today, you aren't getting the best out of the best market in the country. And if you are not using the Sunday News—either by itself or as a supplement to your national advertising—you aren't getting advertising coverage that matches your potential. Magazine coverage thins out where population thickens. Sunday News circulation is thick where people cluster.

Compact territory with high potential, comprehensive Sunday News coverage at low cost, and the extra visibility of the small News page that makes advertising more effective—these are three ingredients that ought to be in every sales formula in 1933! Are they in yours?



THE NEWS
New York's Picture Newspaper

220 EAST 42nd STREET, NEW YORK
Tribune Tower, Chicago + Kohl Building, San Francisco

MEMBER OF METROPOLITAN SUNDAY NEWSPAPERS

SALES management

Vol. XXXIII. No. 1

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him, honestly, 'I knew your grandfather,' the sale would be made. Such an approach would be better than a dozen letters of introduction from as many banks."

Chop suey, of course, is an American concoction invented for the American. For his own table the Chinese demands a long, thin, superfine rice that the American doesn't know—not even in a Chinese restaurant. He likes seaweed, makes melon soup, prizes young squab whose bones are so tender he eats them, shark fins, dried shrimp, pickled spareribs, bamboo shoots, bean sprouts, water chestnut and squid.

Wind-up

The sales manager of the Western Clock Company tells us of a new wrinkle in instalment selling as it is practiced by one trader on the Gold Coast of Africa. At a small trading post in an interior village this trader removed the winding keys from some Western alarm clocks. He gave the clocks to the natives upon payment of a small initial deposit. Then the native would continue payments by bringing the clock back to the trader to be wound. When the clock was entirely paid for the native became the possessor of the key.



Monkey Wrench Man

If you have an airplane or an electric fan, an icebox, or any other appliance or conveyance or machine that is too noisy and you start out to do something about it, sooner or later someone will send you to see Dr. Free.

Dr. E. E. Free, listed modestly in "Who's Who" as "chemist," sits in an unpretentious office in the Flatiron Building, at Broadway and Twenty-third Street, New York City, and makes a business not only of unraveling problems in acoustics (on which subject he is a world authority), but in figuring out ways to do things that have never been done—of measuring things that have never been measured—of applying science to business and making it pay.

"Why do individual salmon return to spawning to the river in which each salmon was bred?" "What is the present trend in the household consumption of gas," "Is there any way to make the music from Swiss music boxes play louder?" "How much does it cost to keep the United States clean?"

These are a few of the posers put up to Dr. Free in a year's time.

Dr. Free is not at all the bearded, serious-miened man of science. He is short and chubby and cheerful, a dynamic brownie with a crisp voice and a brilliant hypnotic eye. He has to sit on a pile of telephone books or an encyclopaedia when he has his picture taken to avoid looking like a small boy at his father's desk.

No man in the whole broad land gets more interesting assignments than Dr. Free. After the disastrous subway wreck at Times Square in 1928, Interborough officials anxiously sought Dr. Free for aid in reassuring the public as to the safety of the underground lines. When he made his report, New Yorkers were astonished to learn that it is 22 times safer to ride on the subway in New York than to be on the streets, and 28 times safer than riding in an automobile. Fantastically, Dr. Free showed it to be true that subway riding is even six times safer than staying in your own home! Contrary to all popular belief, New York City, instead of being more hazardous, is actually a little safer than the average of the country.

In 1930 Dr. Free was asked by the American Museum of Natural History to advise Dr. William Beebe concerning some method of seeing out of the steel shell in which Dr. Beebe proposed to descend a quarter of a mile or more in the ocean. His laboratories, undaunted, devised and produced for this shell the fused quartz windows actually successfully used in the experiment.

Although he is a chemist, physicist, astronomer, inventor, pro-

fessor (in his odd moments) at N. Y. U., Dr. Free's forte is acoustics. He is one of the daddies of the Noise Abatement movement in New York. His men went about the city several years ago with their originally designed "Acoustimeter," measuring the racket of trip hammers, subways, street cars, trucks and other noises. Dr. Free, during the past ten years, has, at the request of their manufacturer-sponsors, laid his ear to the mechanical hearts of dozens of appliances—vacuum cleaners, refrigerators, typewriters, and so on—to discover if possible what could be done to reduce their racket-making proclivities.

The Free laboratories made for American Tobacco the measurements of ultra-violet radication in their tobacco-treating units, which involved measurement of quantities of ultraviolet radiation many times greater than any ever accurately measured before.

To a staggering list of our biggest American manufacturing corporations, who retain Dr. Free on a yearly basis, he is a sort of general engineering, consultant and "monkey wrench" man. You have read dozens of advertisements of household products which announce "radically new improvements"—some great new "sales plus" dependent upon a gadget born in the basement of the Flatiron Building.

The strength of this interesting man lies not so much in what he himself knows, but in his amazing acquaintance with sources of knowledge in many fields. He has gathered about him experts in a hundred lines, from thermodynamics to home economics. He says, "It is my business to know everything—something humanly impossible, of course. But we do attempt to know where to get expert information and services when these are desirable."

Lamenting that business and science do not more adequately understand each other, Dr. Free points out that the one business which needs science the most desperately—and neglects it almost completely—is that part of the banking business which has to do with investment and the financing of new enterprises. "Every business expansion, every prospective investment," says he, "must rest, if it is to be solid, upon three legs: finance, law and facts. This third leg is merely another name for science. These three legs of business ought to be equally strong. No one thinks of starting a new enterprise nowadays without good financial advice and good legal advice. No bank makes an important loan without both of these. But the strength of the third leg is commonly neglected. Scientific advice is seldom procured, seldom thought of as being useful. Yet your lawyer can defend you only against man-made laws which are not, after all, so very permanent or inelastic. A scientist, on the other hand, is your defence against laws infinitely more implacable and more dangerous to break, against these rigid conditions of life and of everything that we call the Laws of Nature. If your business breaks these laws the penalty, usually, is its death."

Pinch-bitter Comes Through

Some years ago a young refrigerator salesman found himself in a tough spot. For months his company had been attempting to persuade a big utility to take on the line and to give up a competitor's. The local divisional managers had given the utility men the whole routine sales story—prestige, advertising, merchandising cooperation. This young salesman was sent to pinch-hit on the account. With the whole sales story already ancient history, what could he do? He staked all on one meeting. He asked that he be permitted to address the utility executives as a group. Before the assembly he began to list, on a blackboard, all the servicing costs on the electric refrigerator they were then handling. On each item the figures were agreed to by the group as a fair estimate. The total ran up to more than \$40,000. Then the salesman proceeded to eliminate each of the costs by showing that his machine had none of the parts which were responsible for the various charges in his itemization. When he finished he had explained how the utility could save forty thousand a year. He got his order. The utility was the Georgia Power & Light Company. The refrigerator was GE. And the salesman was Gus Mayer, who later became manager of the merchandising department for GE, and one of the most popular executives in the industry. He was killed December 31, 1932, when an airplane in which he was flying from Cleveland to Louisville crashed to the ground in a fog near Springfield, Ohio.

ANNOUNCING A NEW SERIES OF ARTICLES

Can You Measure a Prospective Salesman's Worth Before You Hire Him?

"No," says Lawrence R. Hills, Sales Training Director, Rex Cole, Inc. "There aren't any watertight rules in selecting men." (You read his story—how his company puts new men into the field in 3 days—in the last issue of Sales Management.)

"Yes!" says Joyce F. Oliver, Sales Training Director, Household Finance Corporation. And right there we have a disagreement. Mr. Oliver will explain the basis of his beliefs in a new series of articles which will begin in an early issue.



Here Is Mr. Oliver's "Platform":

1. I believe in the development of every possible source of good labor supply.
2. I believe in young intelligent men.
3. I believe in objective tests being given to applicants.
4. I believe in telling an applicant why you are turning him down.
5. I believe in giving vocational guidance and encouragement wherever possible.
6. I believe every interview should have a definite and two-fold purpose.

These ideas are the subject of Mr. Oliver's first article. In later articles he will discuss such problems as the framing of suitable tests for prospective salesmen, the training of the old salesman, and how to build a training program.

Mr. Oliver was formerly sales manager for the Remington Cash Register Sales Company, Ltd. of London. Later he worked with MacDonald Brothers, Management Engineers of Boston, and since 1930 has been with the Household Finance Corporation of Chicago.

SALES MANAGEMENT

Sales Letters

BY MAXWELL DROKE

Read It and Swoon

Some day these persuasive railroad promotion men are going to tempt me beyond my strength. For example, list to these rapturous comments anent the Bad Lands of South Dakota, from the gifted pen of the Chicago and Northwestern Railway press agent:

"If you seek the tingling, adventurous, unspoiled spirit of the West, here, in the Black Hills of South Dakota, is the one spot where it may yet be found. Here



Maxwell Droke

is the West of Wild Bill Hickok and his sputtering six-shooters; of Calamity Jane, the 'galloping gun gal,' who bested a band of Indians single-handed, and swore roundly at the price of liquor; the West of frontiersman, prospector and Indian — silently spreading its treasures for you to come and behold.

"Here is the America of history and tradition—waiting for you. It is as though some Great Power had spread a restraining hand over this 'richest one-hundred square miles in the world,' to hold it unsullied for your delight. What a marvelous vacation awaits you in this land of crystal clear air, cloud-flecked blue skies, brilliant sunshine and cool mountain breezes! The majestic splendor of the Black Hills defies the dictionary and the artist's brush—it simply *must* be seen!

"I have space here to give only a hint of the wonders that await you. There are, for example, The Needles. At an altitude of more than a mile above sea-level, these magnificent granite spires tower above you like the wrath of God. The storms of centuries beat against them as harmlessly as sleet upon a window pane.

"Then there is Mount Rushmore National Memorial, where Gutzon Borglum, world-famed sculptor, is engaged in carving the colossal figures of Washington, Lincoln, Jefferson and Roosevelt from the living mountain—each figure as high as an office building. An awe-inspiring sight that will endure for a million years. And you are privileged, this Summer, to see it in the making.

"For good measure, there is the jewel of the mountains, Sylvan Lake (where Calvin Coolidge fished with such zest); numerous mountain streams; picturesque caves; a gold mine in full operation; charming little frontier towns, including historic Deadwood—and, of course, the proud Black Hills themselves, richly costumed in Blue Spruce and Western Pine. . . ."

Well, after all, it *has* been a hard year. . . . A change of scenery might be the very thing that's needed to bring the roses back to these pallid cheeks. . . . Good boy heads for Bad Lands!

The Round Table

I have often wished that every subscriber, sincerely interested in bettering his letters, could see and study the scores of excellent examples that come to my desk. These letters are sent to us for criticism and comment. We are delighted to have them. But space limitations make it possible to reproduce only a small fraction of the total received.

For a long time the editors of SALES MANAGEMENT have sought a practicable way to share this wealth of letter data with subscribers—a co-operative plan that would not place a burden on any individual, yet benefit all who contributed to make the effort a success. Now, in the "Sales Letter Round Table," we believe that we have just such a plan. Are you interested? Then read the proposal in detail on the opposite page. I'd very much like to see every reader of this Department enrolled as a regular "boarder" at this Table!

For Sales Letter Students

I am often asked about correspondence courses in Business Letter Writing, and until very recently I have been somewhat at a loss to recommend a moderate-priced course that really covered the ground. Just recently, however, I have had an opportunity to examine Ben Sweetland's Ten-Lecture Course in Sales Letter Writing and the Fundamentals of Direct Mail Advertising. It appeals to me as an able contribution to this subject. The ten lessons are as follows: (1) "Facts Before Figures"; (2) "Success Consciousness"; (3) "The Fundamental Law of Giving"; (4) "Study of the Market"; (5) "Study of the Product"; (6) "Cause and Effect"; (7) "The Big Little Details"; (8) "Coordinating Mediums"; (9) "Laying Out the Campaign"; (10) "Format of Mailing Pieces."

Ben Sweetland has had wide experience in mail merchandising, and writes from intimate personal knowledge. The course is published by Gerding Publishing Company, 421 North Eighth Street, St. Louis. There is a special introductory price of \$7.35, although the course, as I understand it, was originally designed to sell at a much higher price. Mr. Gerding, I feel sure, would be glad to send it to any reader of this department on five days' approval.

Silver Linings vs. Cold Facts

Sunny-souled individuals are rather fond of commenting, these days, upon certain alleged "benefits" of the Depression. On most of these contributions I am sourly skeptical. I don't like the damned thing,

and I flatly refuse to be vash-younged into pretending that three years of gazing at downward graphs has purged my spirit of sundry ills and made me a better boy. But I will concede this item to the credit side: There is, today, less pussyfooting, pretending and downright bluffing as to the state of business. And this new attitude of frankness is a distinct gain. I submit, with considerable gusto, this letter, used by the classified advertising department of the Spokane (Wash.) *Review-Chronicle*:

"In the good old days it was considered a bush-league play to say anything that might make the fellow you were trying to sell think anything but what you wanted him to think. To have mentioned the fact that anybody ever could possibly fail in business was likely to give your prospect negative thoughts and make him say, 'Come around next week. I'll think it over.' In the meantime, then, when he was feeling his meanest, he'd decide not to sign on the dotted line.

"But since we have all quit kidding ourselves and started to face the facts, it's not out of place to make the bald statement that, though business is not what it used to be, still, with half the volume, there is but about half the competition, because so many dealers have 'folded up.'

"There is still a big market for used cars, and, as always, the *Review-Chronicle* classified ads give dealers an introduction to those who are ready to buy. . . ."

Invitation Funereal

I have often wondered why manufacturers and wholesalers who, from time to time hold "open house" for their retail friends, usually invest their announcements of these occasions with so much sober or even somber gravity. So I am particularly happy to note this frank and friendly invitation from Pan-American Furniture Factory, of New Orleans:

"Wednesday, June 21, will be a RED LETTER DAY for you and for us, if you accept our most cordially extended invitation to visit us at the opening of our Fall Exhibit in our Showrooms at New Orleans.

"We have planned a good time for you—plenty of eats, drinks and good fellowship—meeting and swapping stories and ideas with all the New Orleans furniture dealers and a good many from out of town. In brief, it's going to be a 'good ol' get-together' that will be helped a great deal by your presence.

"Incidentally, we have new designs in frames and covers, nobby upholstering ideas—in other words, an advance showing of what you are going to see at the Summer Markets, if you go. It is your opportunity to come and see what you can buy 'close to home'—profitable, fast-selling merchandise on which the freight is low, and the service quick.

"The trip will pay you doubly. We promise you a 'hot' time, and a thoroughly enjoyable evening—and our line will speak for itself when you see it. We'll be expecting YOU!"

Sales Management Inaugurates "The Sales Letter Round Table"

SALES MANAGEMENT's department, "Sales Letters," edited by capable Maxwell Droke, has almost as many regular followers as the Pied Piper of Hamelin. This the editors regard as definite proof that a real hunger exists on the part of many sales and promotion executives for more information and discussion which will help them to improve their sales letter technique.

Hence there was born in our Graybar Building offices several months ago the idea that we should start a "Sales Letter Round Table"—an organization which would serve as a sales letter exchange for groups of executives who were sufficiently interested to participate in such an exchange on a regular basis.

Here's the plan:

Each person who becomes a member of the "Sales Letter Round Table" will send to SALES MANAGEMENT each month his outstanding letter of the month. It might be a collection letter, a sales letter, a letter to salesmen—any kind of letter. The SALES MANAGEMENT staff will then select the best 25, reproduce them, and send the collection to every member of the club. Maxwell Droke will pick really outstanding examples for mention in his "Sales Letters" page.

To cover the cost of reproduction and mailing, a service fee of \$10 a year will be charged to members, payable in advance. Such a fee will seem reasonable when it is considered that it will cover a collection of some 300 or more letters in a year's time. Since the value of the idea depends entirely upon regular contributions by all members, it will be understood that no one who fails to contribute at least once in two months can longer participate. Those who drop out will forfeit service fees.

Naturally, SALES MANAGEMENT's editors will select for distribution those letters of greatest general appeal. That is, those which contain ideas or involve basic principles that may readily be applied to a variety of fields.

It is quite possible that SALES MANAGEMENT will later announce an award of a cup to the club member whose work over a year's period seems to be the most meritorious from the standpoint of results obtained, character of letters written, and general intelligence of letter-promotion planning.

Any sales or advertising executive who is interested in participating in this new "Round Table" should communicate immediately with.

SALES MANAGEMENT

420 Lexington Avenue

New York City

Significant Trends

As seen by the editors of *Sales Management* for the fortnight ending July 1, 1933:

The New Chairman of the Board

On the 22nd of June a new chairman of the board was elected to sit at the head of the table of every American business. That man, of course, is Uncle Sam, and it is SALES MANAGEMENT's opinion that he has been elected to serve for a much longer time than the emergency period mentioned in the National Industrial Recovery Act. Business failed to regulate itself; it must now submit to organized planning or there will be no business—in a capitalistic sense—left. Whatever any of us may feel about the right or the propriety or the expediency of the Government's stepping in and forming a partnership with business, the die is cast, and those individuals and companies and associations that are most alert in learning the new rules and how to apply them will profit most in both dollars and cents and spiritual satisfaction. The die-hards of the older order call it socialism and say that business is not to be allowed to profit; the men and companies who haven't been making any money seem to think that in the future it will be doled out to them on a platter. We think they are both wrong, that every one entitled to a reasonable profit will have a better chance than in many years to make it, but certain it is that profits are going to be more widely distributed. The fat hogs who cluttered up the feed trough are going to be made to move up the line and give the other fellow a chance. Profit will be accentuated rather than depreciated, but that profit is going to be spread so that the entire population has some of it. Mr. John Q. Public must have it before he can buy the products of our fields and factories.

● ● ● Henry Ford had the basic idea away back in 1915 when he boosted the pay of his workers. He argued, and he was right, that if workers earned more money they could buy more merchandise. He had the right idea, but no one man, or one industry even, could make it work. So "rugged individualism" has had to give way to central organized planning. The Roosevelt conception is that more workers must be put back on the jobs, and at a living wage, and that will produce the purchasing power required to keep the wheels of industry at an even rate.

● ● ● *If the theory works out in practice we predict that in a few short years this country will have a higher standard of living than the most irresponsible optimist ever dared to predict.*

● ● ● Because of the overwhelming importance of the Industrial Recovery Act to all of our subscribers this magazine has arranged through contacts in Washington and with trade associations, manufacturers, legal experts, and special counsellors, to cover in each issue the truly important and essential news, especially that part of it pertaining to the marketing side. See page 18 in this issue.

Where Are the Minus Signs?

During those dark days when we were turning corner after corner only to find a still more terrifying ogre, this magazine printed for a full year a column or more of "plus signs"—true reports of businesses or sections here and there which even momentarily were able to swim against the tide. At the moment it would be news—hot news—if we printed a section of minus signs, though it would take a good reporter to find them. All business reports right now are showing so much improvement that it's a real problem to pick and choose those items which are most significant or most interesting.

● ● ● Freight car loadings are 12.5 per cent ahead of last year at this time. . . . Electric power production is 9.5 per cent better, and within a hair's breadth of the 1931 volume. . . . Auto production and sales are miles ahead of last year. . . . Retail sales are ahead. . . . The boys down in Wall Street (with some reason) pride themselves on their ability to forecast business improvement months in advance, say by the prices they are willing to pay for securities that business soon will be back to the levels of the Fall of 1931. Bank debits (see page 44) in May were 92.1 per cent of last year, with New York City excluded. With that city included the figure is 101 per cent.

Are Prices High Enough?

Like a good poker player the Administration tries not to tip its hand to all the players and kibitzers. and so we can only guess what, if any, inflationary plans it has in mind. Both the President and General Johnson have made it very clear, however, that one of their recipes for prosperity is this: "Put more people to work. Pay them higher wages. Then—and not until then—they will have purchasing power to buy your goods. So don't make the mistake of getting your prices too high *before* the workers have spending power." A higher cost of living must follow rather than precede increased national income if the experiment is to succeed.

● ● ● This is only a guess, but SALES MANAGEMENT believes that commodity prices and those of manufactured goods will increase, but, at least for the next few months, at a slower pace than we have seen since the rise started in March.

● ● ● That would be, we think, a reasonable plan of operation, for, as we point out in the section devoted to the Industrial Recovery Act, some of our business profit will come as a result of higher prices, some from selling more goods, and some from the elimination of wasteful practices. If the various associations are able to carry out the codes of practice which they are planning to submit



In 8 stores a week's display like this one sold 210 items.

PROVING AGAIN—MORE SALES CAN BE MADE

Comparative sales tests recently made by the Economy Stores, a voluntary chain of Allentown, Penna., again demonstrate what many similar tests have shown:

More goods can be sold with Good Housekeeping's advertising guaranty than without it.

Every advertiser in Good Housekeeping shares in the unique and powerful sales force that is created by consumer buying confidence in Good Housekeeping's advertising guaranty—a plus value that is one reason why Good Housekeeping is the choice of more advertisers (and more exclusive advertisers) than any other leading woman's magazine.

GOOD HOUSEKEEPING

Everywoman's Magazine

But—in the same 8 stores a succeeding week's display like this one sold 379 items!



to Washington for approval, the individual members will be able to boost their profits very materially by the simple process of eliminating costly, ineffective, wasteful sales practices—such things as subsidizing buyers, paying chain stores for advertising allowances that never are used for advertising, free deals, returned goods, sloppy credits, price concessions, and the many other drains on the marketing side of the average business.

The Most Significant Trend

toward freight car loadings for the *national* picture (especially merchandise and l.c.l. freight) as they reflect distribution of all that we eat and wear, and the figures are available weekly. Others prefer bank debits because they reflect (except during an epidemic of bank closings) 90 per cent of all business transactions. Steel ingot production is another index which has many followers. Still others will argue effectively that construction of new residences gives the best picture because construction activities have such wide ramifications. All of these indices now point to better things, but the change in the building picture is the most recent and the most startling. For several years we have been struggling along with building about one-seventh of what it was in 1926. We have all known for some little time that the Public Works Bill, when passed, would give an impetus to big buildings, roads, bridges, and the like, but there was no news about residences that made palatable reading.

But in May there was an abrupt about-turn. Normally there is an increase in May over April, but the increase this year, according to Government figures of *indicated expenditures* (not merely permits or even contracts) was five times greater than the comparison last year. In this May over April there was an increase of 32.8 per cent in the number and an increase of 75.6 per cent in the estimated cost of new residential buildings.

Another time-tested index of activity—and this one has special merit because it also is an index to business *confidence*—is newspaper advertising. This fell to a depression low in March, when the banking situation paralyzed both pocketbooks and confidence, and the volume in all cities checked by Media Records, Inc., was only 65 per cent of the same 1932 month. In April the volume increased to 84 per cent, in May to 90 per cent, and most of the individual newspaper proprietors with whom we have talked say that June was ahead of last year.

Business Here and There

night shifts down at Winston-Salem, and current production is approximately double that of a few months ago when the low point was reached. This company is one of the very few in the country which did not reduce its wage scale during the depression.

From Detroit comes much good reading these days. Picking at random from the pile of reports on

Business men and economists differ as to the best single index of the business pulse.

We rather lean

the editor's desk, here are a few: combined DeSoto-Plymouth shipments last week were 50 per cent ahead of the same week a year ago. . . . A. C. Spark Plug sales in May were 50 per cent better than last May. . . . Oldsmobile sales during the first ten days of June were 76.5 per cent ahead of the same period last year. . . . Pontiac was up 95.5 per cent in the same period. . . . Hudson-Essex sales for the June 10 week were 77 per cent ahead of last year (the 14th consecutive week of sales increase). . . . Buick had to raise its June production schedule 39 per cent ahead of original estimates.

• • • In Chicago the big department stores are seeing black ink on their ledgers for the first time in,—well, it doesn't matter now. Both the State Street and the neighborhood stores are now showing dollar sales around 12 per cent better than last year.

• • • All of the big steel sections feel much improved, now that production is running at 50 per cent of capacity instead of 13 per cent.

• • • And so it goes. The International Business Machines Corporation has just finished a survey of 48 major industries as of the middle of June, and finds that 35 of them are showing greater activity than a month ago, 10 are maintaining their former status, and only 3 show a decline in sales. It begins to look as though the Summer slump would be almost non-existent.

• • • *We have now had fourteen weeks of continuously improving business without any general setback.*

• • • The following Federal Reserve Bank districts in the week ending June 15 had bank debits higher than the same period of '32: Boston, St. Louis, and Minneapolis. The others were not far behind, as the nation as a whole was down only 3 per cent.

• • • The Irving Fisher all-commodity index of wholesale prices now stands at 63.5 per cent of the 1926 normal, and is at the highest point since February, 1932. The purchasing power of the dollar is down from 1.81 to 1.57.

• • • The Fisher index of business activity is 37.8, below normal—the best showing since December, 1931.

What Tax Figures Show

Several weeks ago the International Economic Bureau made a study of probable Federal returns from taxation and predicted that in the very near future our Government would show an astounding surplus of income over expenditures. Back of this statement was the reasoning that our present tax levies were based upon business as it was in its most depressed state, and that business improvement would put the budget in a robust state. Their prediction sounds more than reasonable now that we have the figures on May income. Miscellaneous internal revenue (stock transfers, gasoline and oil, communications, theatre admissions, cigarette sales, beer) brought in 99 million dollars in the month, setting a record high for peace time. The records show an all-time high record in the production of cigarettes, bettering by 10 per cent the previous high month of July, 1930. . . . Beer brought in more than 11 millions. . . . People went to the theatre more often during the month, used their cars more, bought more decks of playing cards, more lipsticks, more candy.

GE Sells 2,000 Carloads of Refrigerators in 60-Day "Man Hunt"

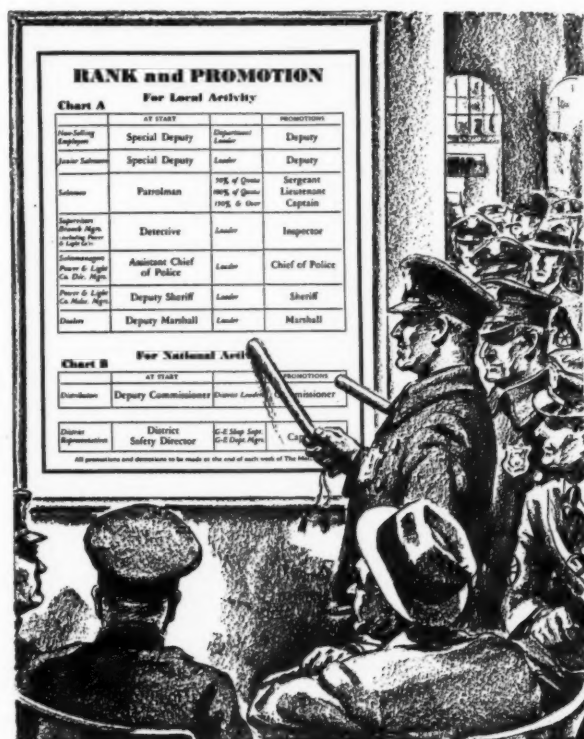
IN General Electric's "Man Hunt Campaign," conducted in the nine weeks between April 3 and June 3, GE men sold and delivered 2,000 carloads of refrigerators and several hundred carloads of ranges and dishwashers.

The drive, which resulted in a national average of 100 per cent of quota, was called by M. F. Mahony, manager of the merchandising division, "the most successful campaign in the history of the refrigeration department." Quotas were stepped up 25 per cent throughout the nation for this event.

The fact that the campaign was based on a theme which had definite appeal for every member of the sales organization was cited by Mr. Mahony as the reason for the unusually fine sales volume developed.

In the "Man Hunt," the entire field organization was moulded into a "police force" in which everyone engaged in a nation-wide hunt for prospects. When the campaign opened each distributor was awarded the title of "Deputy Police Commissioner." Each salesman began as a "Patrolman." Dealers were "Deputy Marshals," and utility heads, "Deputy Sheriffs." The leading "Deputy Commissioner" in each of the seven sales districts of the country was made "Commissioner" at the end of each week. In a like manner, leading dealers and utility executives were promoted to "Sheriff" and "Marshal."

Salesmen were awarded ranks of "Sergeant," "Lieutenant" and "Captain," according to their realization of sales quotas. Fifty per cent of quota won the "Sergeant" title; 100 per cent moved the man into the rank of "Lieutenant," and 150 per cent of



If you think things are still a little slow—if you're waiting "to see what happens after Labor Day" before putting on steam—if you think consumers are still too poor to buy—read this story of the amazing record set by GE in its nation-wide drive, and you'll see what a wealth of business is to be had right now if you'll only go after it.

BY A. R. HAHN
Managing Editor,
SALES MANAGEMENT

quota won a "Captain's" badge. Supervisors and branch managers as well as merchandising managers of utility sales outlets started with the rank of "Detective" and the leader in each organization at the close of each week was promoted to "Inspector." Sales managers and power and light division managers were "Assistant Chiefs of Police," at the outset, and the weekly leader became "Chief." The importance of the non-selling employee was not overlooked. Every clerk, stenographer, service man, truck driver and all others not actively engaged in selling were "sworn in" as "officers of the law." They produced thousands of leads and prospects and their work is reported to have created several thousand sales.

Thousands of badges were provided by the Merchandising Division in Cleveland, while a weekly newspaper, "The Police Reporter," charted the progress of the Man Hunt and carried long lists of promotions and a great number of news items describing activities of police organizations and individual "officers of the law."

The "Land of Refrigerania," name of the mythical nation composed of General Electric range, dishwasher and refrigerator distributors, dealers and utility outlets in the United States, was the scene of the Man Hunt and "inhabitants" of the "country" who were without adequate electric refrigeration or who did not possess an electric range or electric dishwasher were classified as "lawbreakers."

The awarding of gold and silver badges as sales to quota progressed among the salesmen kept interest at a high pitch. Weekly sales meetings were held in the form of police courts,

"offenders" were tried and "punishment" meted out. Meeting rooms were decorated with reward posters, arrest notifications and replicas of prison cells.

The newspaper, a copy of which was sent to each salesman's home, developed interest not only among salesmen and dealers, but in their families as well. Interesting stories of accomplishments of individual salesmen provided an incentive for others who strived eagerly to set new records.

Thousands of "arrests" were made and "jails" in each distributorship or sales territory were filled to overflowing at the end of the campaign.

Campaign headquarters in Cleveland were classified as the "Department of Safety of Refrigerania." Jean de Jen, manager of sales campaigns for the Merchandising Division, played the role of "Safety Director" and each district representative was "District Safety Director."

"Despite the fact that the Man Hunt started under the handicap of adverse financial conditions," Mr. Mahony asserted, "sales showed a tremendous increase the second and third week. These increases became much larger as the campaign progressed and during May virtually every distributor

had a better month than any other May in history. In seven cities—Boston, Newark, Atlantic City, Dallas, Houston, Louisville and Baltimore—the distributors had the largest month in their history.

"The last week of the campaign sales and deliveries totaled more than 20 trainloads. In spite of this fact, every distributor was unable to deliver many refrigerators for which *bona fide* orders were received. Several thousand refrigerators ordered during the latter part of the campaign are being delivered now and General Electric factories at Schenectady, Fort

Twelve Ideas for a

1. Hold a series of meetings devoted to mock demonstrations for overcoming specific sales objections. For example, devote one meeting to the buyer who wants to look at all competitive products before buying yours. Call on six salesmen to demonstrate to some person playing the part of a buyer how they would handle this situation. Let the men vote on which was the best and award a pipe or a cigarette case or some other prize to the winner.

2. Devote a series of meetings to a study of the sales manual, chapter by chapter. This will give you a chance to check up on the manual itself to see that it is up to date, and will develop some new material for it.

3. Spring a surprise questionnaire on the men at sales meeting, covering, say, 50 points about the construction of the product on which they should be informed. Give them a limited time to answer. Make the men trade papers for grading, and then have a sales executive answer (and discuss briefly if necessary) each question. Grade the papers. Announce that the same test will be repeated in several months, at which time every man

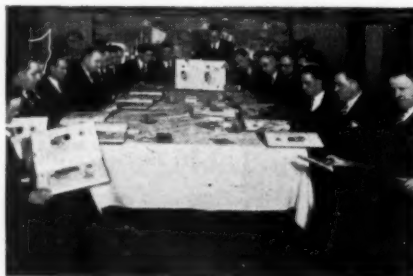
who hasn't made a grade of 85 per cent will have to re-take it.

4. Have a meeting every now and then which is devoted to nothing but stories from the men which relate their toughest sales of the week and explain how they closed them. Have other meetings in which only the sales they failed to make are discussed and have other salesmen suggest how the man testifying could have improved his handling of the sale.

5. Very few salesmen use all the sales tools at their command consistently enough. "Sell" this idea at a sales meeting by dramatizing two sales situations—one in which the salesman-actor fails because he did nothing but talk; the other in which a salesman succeeds because he shows, demonstrates, gives a visual presentation, or what not, and comes away with the order.

6. If you sell a line of products, pick out the items being neglected by the men and devote a meeting to arousing their interest in these products. Close by offering a special bonus for sales volume on these products during a six- or eight-weeks' period.

7. Have a meeting in



Wayne and Erie are working night and day to catch up to production demands.

"The Man Hunt proved a greater inspiration to our field organization than any other sales campaign ever has. It established an *esprit de corps* that cannot be matched. Friendly rivalry between distributors, salesmen, dealers and utilities created thousands of additional sales and brought about a fighting spirit in the field unrivaled. The results of this campaign more than convinced us in Cleveland that continuation of the proper kind of campaign activities, such as we have

been conducting for the past few years, cannot help but bring our sales to a new high peak."

Twenty-two distributors of the fifty who participated in the Man Hunt attained more than 100 per cent of quota. W. L. Thompson, Inc., Boston distributors, led the field at the close with 180 per cent of quota.

Some of the local records made during the campaign are of special interest, inasmuch as they suggest a broad-scale loosening up of consumer cash after the demand which has so long been pent up during the years of depression. At Baltimore orders

for 67 refrigerators were turned in on "Walter Daily Day" (named after the promotion manager of the refrigeration division at Cleveland); 104 orders were closed on "Dorcey Hines Day" (named after the distributor for that district).

M. F. Ford, Newark salesman, averaged one order for each working day in May. At Quanah, Texas, a town of 4,500, the Wey Hardware & Furniture Company sold 400 per cent of campaign quota, and 200 per cent of their entire dealership quota for the year! At Wynne, Arkansas (pop.

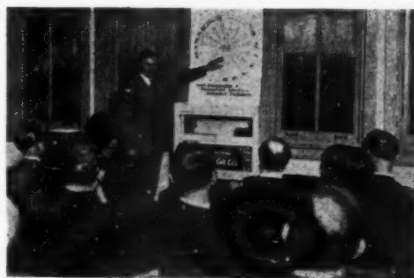
(Continued on page 43)

a Live Sales Meeting

which each salesman selects one of his "most hopeless" prospects. Let him tell who the prospect is, how he has attempted to sell him. Then ask all the men who would like to volunteer to take a crack at this buyer. "Raffle off" the tough ones this way, giving each to a new man. Offer an increased percentage of commission on any orders sold to this list by the volunteers. This appeals to the men's sporting instinct.

8. Don't *talk at* men in sales meetings if you want to keep the men awake. Make them take part in anything you do. Ask questions. Ask for experiences that illustrate the points being discussed. Make the men tell *you*.

9. Pick out six men and assign to each one the conduct of one weekly sales meeting. Place the responsibility entirely on them for planning something that will be helpful to the group. Any number of companies have success with this plan. The men may be awkward and embarrassed at first, but they'll get used to the idea very soon. "Stage presence" helps them in selling, too—don't forget that. Men ought to be taught to be at ease on their feet in front of a crowd.



10. Have a meeting in which the men themselves plan some kind of special campaign which is to be waged. Announce that every man must come to the meeting prepared with some idea for a special drive. If you want to define some specific objective—say a campaign to increase sales on the more profitable items—well and good. The men will have a fresh and direct interest in a campaign they have had a specific part in planning.

11. Have a grievance meeting at which the salesmen can raise objections or ask questions about any matters of management or policy which may be worrying them. Remember Freud's admonition that suppressed emotion is dangerous. Even if you can't do anything about some of the grievances brought up, the salesman feels better for having had his say. Be open-minded, too—management can learn from such experiments. If you're having a series of meetings, have this one *first*.

12. One company we know has made the privilege of leading the weekly sales meeting the reward for selling the highest per cent of quota for the previous week. Men scrap tooth and nail for this honor.

Star Salesmen the Depression Couldn't Lick

SALES MANAGEMENT, in its thousands of contacts with national selling organizations in all their ups and downs in the battle against deflation, has been struck throughout with the fact that, no matter how bad general business conditions seemed to be, there were some few salesmen in almost every line who were pulling in orders regularly and relentlessly, who seemed to have a firm grip on themselves and their jobs, and who, in many cases, were equaling or exceeding their boom-days records.

Sales methods that could pull in orders during the lean years certainly

must have in them some great fundamental rightnesses. They must be based on a solid foundation, a better understanding of which would be of inestimable value to everyone who is training men for the field now, and for the future.

So the SALES MANAGEMENT staff took upon itself the job of interviewing a group of these men who were outstandingly successful at selling under the most adverse conditions that have existed for years. We asked them all approximately the same questions. We attempted to discover the character of their working methods, their technique of handling prospects and their *plan* for doing things.

In this series of articles we shall present three or four men at a time—usually all working in different fields. Some will be engaged in one type of distribution, some in another. At the close of the series we shall attempt a horizontal analysis which will show what qualities seem to be common to all these successful salesmen.

With this introduction, then, let us take you to call at the Rex Cole offices in New York, to meet the two men who topped not only the Rex Cole force during the last year, but who topped the entire national field of General Electric refrigerator salesmen.

These two men—Al Reina and Frank Siegmund—are a particularly interesting pair because they are as different in personality as it is possible for two men to be. Reina is the friendly, high-powered type. Siegmund is slow and methodical and serious.

Before Reina came with Rex Cole in 1928 as a salesman, he had been manager of a local Reeves chain grocery store. He soon learned that you have to make a lot of calls to get sales—that you have to canvass in the morning to obtain evening appointments, and then if you get three or four such appointments, you make one sale.

With this learned, Reina set himself a goal—to make one refrigerator sale a day. He has pretty well stuck to that average since, selling more than 300 machines a year. He has sold as many as 14 in one day.

When Reina first started out he used his customers to find out how he was developing as a salesman. After he made a sale he'd ask customers why they had bought and what sales appeals had convinced them. He learned another trick which has brought him over one-third of his total business in four and a half years with Rex Cole. As soon as he made a sale, he took advantage of the good will thus established by questioning



★ No. 1

Reina—he led the G E refrigerator force for 1932.



★ No. 3

Scott—he has led Penn Mutual for 13 out of 14 years.



★ No. 2

Siegmund—he has never lost an order for a machine placed on trial.



★ No. 4

Murphy—he sells a car a day from January to December.

his prospect for leads. Thus, he could find out a great deal about certain of her friends who might be in a position, financially and otherwise, to buy a refrigerator. Making this standard practice has given him leads resulting in 35 per cent of his total orders.

Reina continually works and reworks his territory. As soon as his canvassing has progressed to one end, he goes back and starts all over again. He makes it a point to know the gossip of the neighborhood. This has resulted in many sales. For instance, in the course of his canvassing he found out that the ceiling of one of the residences of the neighborhood had fallen down because the drain for the ice-boxes of the two-family house had leaked and loosened the plaster. Reina struck at the psychological time and sold the owner of the house two refrigerators, one for each family, because refrigerators had no drains that would cause ceilings to fall in the future.

Another case, proving the value of knowing your neighborhood, is that of a sale he made in an apartment. Local gossips told him that one of the occupants of an apartment had suffered painfully because she dropped the ice on her foot as she took it out of the dumbwaiter. Again Reina saw her quickly and sold a refrigerator that wouldn't drop on her foot.

Taking advantage of the breaks in selling like these has resulted in Reina's steady climb. In 1929 he was thirteenth highest salesman in Rex Cole. In 1930, ninth; in 1931, second, and in 1932 he led the force.

Knowing his territory thoroughly helps Reina overcome price objections. If any prospect wants to buy a cut-price machine, Reina can give her the whole history of neighbors who have been disappointed with inferior quality machines, many of whom had to take them out and replace them with Reina's product.

Reina makes it a point to be present at the delivery of the prospect's machine, not only to instruct her in its use and thus make a permanent booster, but to take advantage of the second opportunity to get leads. Several of his customers have given him as high as ten good leads which have resulted in sales.

As one of his most interesting sales, Reina tells of an incident which took place in 1931. His branch manager had notified him that a sale had been canceled. Reina hot-footed it to his customer's home. Here he was told that the GE order had not only been canceled, but that a competitor had been given an order. The young sales-

(Continued on page 45)

One of a
Series of Articles
on "Man Power
Problems
in Selling"

The Men Interviewed
in This Article

Al Reina

Rex Cole, Inc.,
New York City
(GE distributor)

Frank Siegmund

Rex Cole, Inc.,
New York City
(GE distributor)

Thomas M. Scott

Penn Mutual Life
Insurance Company,
Philadelphia

Earl N. Murphy

George Holzbaugh, Inc.,
Detroit
(Ford dealer)

A study made by the Sales Management staff of the sales methods and techniques of a group of men in various lines of business who stood at or near the top of their ranks during the blackest months of the deflation.

PART I

By

The SALES MANAGEMENT
Editorial Staff

Spot News

on Recovery Act Planning

CONCLUSIONS which may be drawn from General Johnson's announcements and rulings to date:

1. Only codes representing major industrial divisions will be given consideration now.

Application of the Act will be made first through codes of 30 major divisions. Branches of or groups within any industry will be able to file codes only after the industry as a whole has acted and will file codes supplementary to the main code.

2. Unfair competitive practices within industries will be left for inclusion in future adjustments of codes.

3. Agreements not to sell for less than cost of production will be accepted as a part of original codes.

4. Differentials in minimum wages within any industry will be limited, and probably will not exceed 10 per cent.

5. Codes to be acceptable will have to include specifically:

Minimum wages per week of lowest class of labor in the industry.

Maximum working hours per week.

Maximum number of shifts for operation of productive equipment.

6. Price increases, even when based upon increased costs resulting from higher wages and shorter weeks, will be restricted to an absolute minimum, and at the start increased profits should come from increased volume and elimination of waste.

7. Full use of present productive capacity (if sales volumes permit) will be favored as a means of

Increasing employment and purchasing power;

Limiting possibility of unjustified price increases.

Don't Wait

While the Administration will take up first the broad industries—lumber, steel, textile, etc.,—where the possibilities of re-employment and better conditions are most apparent, groups of manufacturers outside of the basic industries need not wait for Government approval to put into practice many common-sense improvements in

their business and this applies especially to building and putting into operation codes to cover unfair trade practices and the necessary policing machinery to make the codes work.

Small Groups

As illustrated by the Textile code, which was the first to be submitted to General Johnson, the big industries, at the start at least, will proceed on a broad base line on basic subjects of labor, hours and wages—but such big organizations can deal only with these broad issues.

The Drug Institute is an example of an organization which can be very helpful to all factors in its industry, but it cannot solve the problems of specific groups within the industry. For example, the following associations are preparing their own codes of business practice, although each will be associated in the broad program with the Drug Institute:

Associated Manufacturers of Toilet Articles;

Association of American Soap & Glycerine Producers;

The Glass Containers' Association;

The National Association of Insecticide & Disinfectant Manufacturers;

The American Pharmaceutical Manufacturers' Association;

The American Drug Manufacturers' Association;

The Beauty Institute;

The Confectioners' Association, etc., etc.

What Are Unfair Trade Practices?

A quick check list of practices condemned at various times in hearings before the Federal Trade Commission follows:

1. Willful interference with any existing contract between employer and an employee.
2. The use, without consent of the manufacturer, of his dispensing equipment with the intent or the effect of appropriating the patronage, property or business that is rightfully his.
3. Spreading, or causing to be spread, false or untrue statements of, concerning the business policies or methods

- or financial standing of a competitor.
4. Obtaining information from competitors under false pretenses—any method of espionage.
5. Price discriminations not based on freight rates, quality, or similar logical reasons, but which are intended, rather, to obtain or give an unfair competitive advantage.
6. The selling, or offering for sale, of seconds as firsts.
7. Misleading trade names, such as geographical names like Parisian, which do not represent the true origin of the goods.
8. Slack-filled packages.
9. Subsidizing of jobbers' salesmen and of retail salespeople by giving bonuses, commissions, premiums, etc.
10. False and misleading labels.
11. Premiums or free goods to the trade which constitute a reduction in the list price.
12. False representation in advertising or orally concerning a competitor's products.
13. Invoicing of goods to one point and delivery to another where the cost is higher.
14. Secret rebates and settlements.
15. Commercial bribery—the payment of money or anything of value to influence a sale.
16. The practice of invoicing a less quantity than the actual amount shipped.
17. Price guarantees have been condemned by several industries.
18. Marking up prices to fictitious levels and then cutting them to the normal market level.
19. The subsidizing secretly of prominent people or distributors for the advertising value.
20. Excessive personal gifts, lavish free distribution of selling accessories.
21. Allowing unearned discounts.
22. Allowing certain services to one account and not to another, where conditions are similar.
23. Obtaining business by threats or coercion.
24. Improper and misleading use of descriptive trade terms, such as designations of certain kinds of furs, furniture, etc.
25. Time limit offers that never expire.
26. Use of the word "mill" or "factory" where a mill or factory is not owned.
27. Misleading guarantees. Guarantees that are not lived up to.
28. Piracy of designs.
29. Use of word "imported" when not imported.
30. Abuse of free sample card service.
31. Deviation from established standards without informing buyers.
32. Selling below cost for the purpose of injuring a competitor.
33. Withholding from the invoice facts which make the invoice a false record.
34. The practice of shipping surplus stocks into territories outside their particular markets and selling below established prices in those territories.

(Continued on page 41)

Some of the questions answered in this article: How shall we select the companies that form a logical group with which to work? How can we cope with the problem of bad trade practices? How can we enforce our code? Shall we go ahead now or wait for Washington?

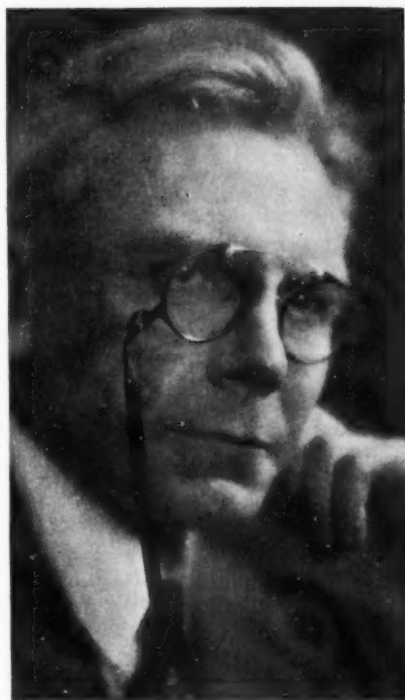
How to Draft a Code For Your Industry

BEFORE your industry can get to first base in formulating an acceptable code of fair competition, it must clearly define what constitutes the industry. While that may sound too obvious to mention to any intelligent business man, may I call your attention to one great industry which has not done the obvious. The Drug Institute we all hear so much about seems to be trying to gather the whole drug business into its fold, with a potential membership of some 250,000. While this may be politic from a lobbying standpoint, it will be absurd from the standpoint of establishing workable codes of fair trade practices, until the Drug Institute resolves itself back into like-group factors: that is, into groups of businesses that have a common product and a common interest, or "vertical" groups.

Only on the basis of a common product and a common source of distribution are trade practices comparable. One company may, of course, belong to several industries. Surely this would be true of du Pont. The quick test to define an industry's constituency is to ask, "If these companies were merged, would it be a practical merger?"

Again, from the standpoint of getting somewhere with the elimination of trade abuses, an industry group should not embrace both the manufacturers and handlers of the product. Obviously, such industries as automobile manufacturing might have to take part in organizing auto dealers. Also, some special industries might want to look to Washington for precedents, but, as a general rule and for the purpose of quick action, manufacturing and distribution should be kept distinct.

Once the industry groups are de-



As Told to Herbert Kerkow
BY R. O. EASTMAN
*R. O. Eastman & Company,
New York City.*

Mr. R. O. Eastman has spent most of his business life in the study of fair trade practices and intra-industry relations. His experience includes sales direction in several companies—among them Kellogg; marketing surveys in more than 50 industries; studies preliminary to the establishment of several trade associations, and the direction of certain trade associations. He developed a code of practice for one industry on which the members were brought into harmony on sixteen highly controversial points. He is, therefore, especially well qualified to make practical suggestions which will help any industry group in approaching its problems under the Recovery Act.

finer, their code committees should be made representative of all kinds and types of businesses embraced, if its codes are to comply with the intent of the Act. Because many trade abuses have not come about as a result of the temperament of one individual so much as from the policy of different companies, it will be wise to see that large and small business, different parts of the country with their special local trade abuses, manufacturers making different grades of merchandise, and those employing different methods of distribution be all represented on the committee.

Now comes the problem of defining the trade practices. Right here the guiding thought should be, in effect: We can start with a clean slate. Let's devise so simply and clearly that the slate will remain clean.

Definition of any industry's problems and abuses consists in finding out:

- (1) What are the trade abuses?
- (2) What has caused them? (I might mention here that the industry which answers this question by saying, "Because John Doe is just a crook," etc., is definitely off on the wrong foot. Trade abuses are not caused so much by someone's being a scalawag as by a more fundamental malpractice. Many of our national brand manufacturers wail about the private label brand of the wholesaler and the chain. Yet are not some of the loudest shouters themselves the largest sellers of private label goods to these very wholesalers and chains?)
- (3) What are the common interests of industry in reference to each of these abuses?
- (4) What are the conflicting interests in reference to each of these abuses?
- (5) How can these conflicts be reconciled?

Having established that much, the committee will be wise quickly to put the desired standards of practice into

a code, generalizing each point; submit this code to each member of the industry, and endeavor to see that each member—at least a majority—accepts it, as a general but *undetailed* working agreement. Thus it will have accomplished the first important step, which is to get the industry to *agree to agree*. If each member of the industry signs the generalized code, each member has promised to permit his committee to work out the details for him. This is very important because the real fight may come on the details of each trade abuse.

Closely related to the elimination of trade abuses is the stabilization of prices. Price *stabilization* and price *fixing* are two entirely different things. Of the two, doubtless, stabilization is more important.

In this connection it should be remembered that almost every industry could go a long way toward putting itself on a profit basis merely by the elimination of trade abuses.* In one industry I know, doing about a ten-million-dollar volume, the simple agreement to equalize freight only with other actual manufacturing points will save that industry \$250,000 annually. And this amount is only 25 per cent of the savings possible, with prices of the industry continuing as they are now!

Create Your Precedents

The sensible procedure to adopt in drawing up the code is to realize that you are not following precedents but creating precedents. The administration begs you to "exercise initiative." Precedents are not yet set for many vital considerations of the trade practices portion of the Act, but the administrators in Washington are beginning to establish precedents. Therefore, watch Washington but do not wait too long and let some other industry, which may be hoggish, displease Washington and muff opportunities for you and everybody else. Another precedent is one of expediency, that is, precedents established by related industries. For instance, cash discount practices have been shot to pieces lately. A related industry may decide to reform cash discount practices, getting them back to 2 per cent, net thirty. Or it may need cash enough to offer 5 per cent for prompt payment. Consequently, the relationship of your industry may make it advisable to play along and have your cash discounts the same. While the practice they have decided on may not

*EDITOR'S NOTE: The 43 most common trade abuses are summarized on page 18 as a handy check list.

be ideal, it is better to have uniformity on unideal practices than lack of uniformity in an attempt to arrive at an impossible ideal.

Though the provisions of the Industrial Recovery Act give Washington the power to police an industry, Washington has inferred that industry should police itself as much as possible. This will be necessary, because recourse to Federal courts or the Administrator's office for every minor or major violation would dam up these government functions in no time. It is advisable, therefore, for any industry that can get together on a code to set up its own enforcement machinery. If the plan is a fair one, it ought to meet with Washington's approval. Following is the enforcement code already drawn up by one industry, but its elements are applicable to almost any other industry:

One Industry's Code

The administration and enforcement of this Code shall be as follows:

The Industry's Trade Association and its Managing Director (or Executive Secretary) are constituted as the agents of the industry as heretofore defined, for the administration and enforcement of this Code.

Complaints regarding violation or violations of any Article or Articles of this Code may be made by any member of the industry, or any member of the staff of the Industry's Trade Association. Complaints shall be made in writing to the Managing Director (or Executive Secretary) of the Industry's Trade Association, and shall be accompanied by such evidence of the specific offense as is necessary to validate the complaint.

The Managing Director (or Executive Secretary) shall immediately notify the accused member of the nature of the complaint, advising such member as to the evidence in his possession.

The Managing Director (or Executive Secretary) is empowered to make such further investigation as in his judgment is necessary to further authenticate the complaint.

If the accused member fails to respond within 10 days of his notification, it becomes mandatory upon the Managing Director (or Executive Secretary) and/or his counsel to institute action in the Federal Court against such member under the provisions of the National Industrial Recovery Act.

If the accused member admits the violation or violations complained of, he shall pay to the Industry's Trade Association the cost of any investigation that shall have been made upon the complaint, and give satisfactory evidence in writing that he has ceased and desisted from such action or actions as have constituted the violation, when it shall be within the discretion of the Managing Director (or Executive Secretary) and/or his counsel either to suspend action or to institute action against the offending member in the Federal courts; the intent of this provision being to duly discriminate between those violations which are unintentional and plainly due only to error or misunderstanding, and those which are intentional or wilful and opposed to the spirit of these regulations.

At his request, the member complained

against may be given a reasonable time, not to exceed 30 days, to investigate the subject matter of the complaint.

If the member enters a denial of the violation with which he is charged, the complaint shall be reviewed within 30 days by a committee of members of the industry chosen as follows: one member to be nominated by the member complained against; one by the Managing Director (or Executive Secretary), and a third by these two in agreement, the third member of the committee to serve as chairman, and in case of disagreement to cast the deciding vote. This committee shall promptly review all the evidence relating to the complaint; shall decide whether or not a violation has occurred; and its decision shall be final; provided, however, that nothing in this Code shall prevent or restrain any member from having due recourse to the Federal Courts as provided in the National Industrial Recovery Act.

No officer or employee of either the complaining member or of the accused member company may serve on this committee.

If violation is found by this committee the offending member shall pay into the Treasury of the Industry's Trade Association ——— Dollars for each offense, together with the costs incurred by the committee, and/or in the investigation of the complaint; if the member accused is acquitted of the charge, costs incurred by the committee and/or investigation shall be paid by the complaining member; provided, however, that when violation is found it shall be within the discretion of the Managing Director (or Executive Secretary) and/or his counsel to institute action against the offending member in the Federal Court under the National Industrial Recovery Act, when all findings of the committee shall be made available for such prosecution.

This enforcement program shall become effective 30 days after the adoption and approval of this Code.

Keep Code Simple

Preparing an industry's code is not a legal job. It is definitely one of clear marketing thinking and presents a great challenge to the marketing executive. Even a hasty reading of the bill will prove that any marketing executive can understand the law of the bill after a few hours' study, but it would take the average lawyer almost a lifetime to appreciate its marketing implications.

Whatever the final expression of your Industry's code, the simpler and more fundamental it is the easier it will be enforced. And that is important, because for the first time since modern national distribution came into being, industry is not only permitted but asked to govern itself, with the police help of the government.

Boaz W. Long, chief of the export division of N. W. Ayer & Son, Inc., has been appointed director of the information section under the National Industrial Recovery Act, with offices in the Department of Commerce, Washington. Mr. Long was formerly in the Department of State, having served as minister to Salvador and to Cuba, and chief of the Latin American Division of the Department.

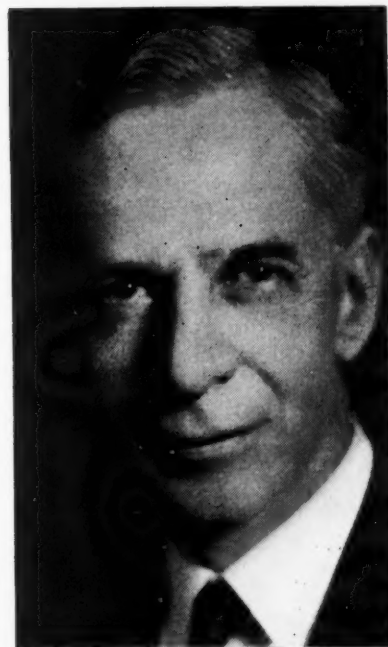
Who's Now Who



Dates to Oil: George D. Olds, Jr., for several years sales manager of Hills Brothers Company, Dromedary products, New York, now finds himself in a new field and in a newly created job—that of chairman of the sales and advertising committee, and assistant to D. J. Moran, president of Continental Oil Company, New York.



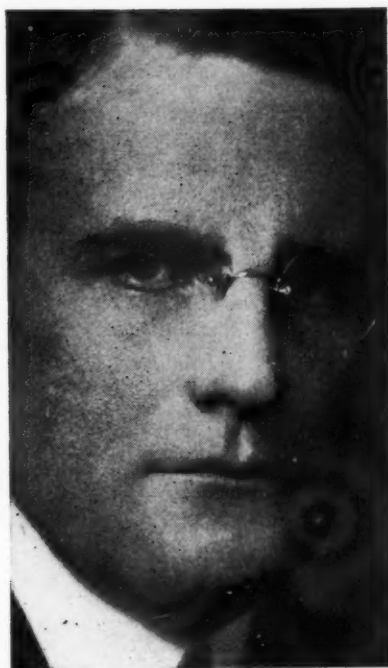
Moving Up: Two old friends of SM—Raoul D. Keim (above) of E. R. Squibb & Sons and W. W. Wachtel (right) of Loose-Wiles Biscuit Company—have just been advanced from general sales manager to vice-president in charge of sales of their respective concerns.



Codifier: Nelson B. Gaskill (above) believes that his experience as member and chairman of the Federal Trade Commission, code enforcing agency under the National Recovery Act, as head of the Lead Pencil Institute, and as a lawyer, can be of value to other associations at this time. Robert F. Miller (left) former executive head of the Associated Grocery Manufacturers and recently elected president of the United States Travel Association, Chicago, will work with him. (Story on page 36.)



Phonexpander: Harry W. Arnold (above), of Televoice Corporation, is telling executives some new ways to project their personality over the 'phone. (Story on page 24.)



*Miller Photo by Harris & Ewing;
Arnold by Bachrach; Keim by
Stadler; Wachtel by U & U;
Gaskill by Blank & Stoller.*

TABLE 1

How Competition Forced Radio Wholesalers to Widen the Radius of Their Normal Territories

(Table based on 1929 figures)

CITY—	TOTAL SALES		PER CENT OF TOTAL CITY SALES BY SALES TERRITORY RADIUS						
	Percent of U.S. total	Percent of City total	75 miles or less	150 miles or less	250 miles or less	500 miles or less	Over 500, but not national	National	All other (Export etc.)
New York City.....	32.68	100	23.40	25.63	30.31	33.65	33.67	65.01	1.32
Chicago	9.41	100	20.44	30.16	42.51	60.58	86.48	11.72	1.80
Newark	4.29	100	45.31	48.52	49.74	100.00	.....	.....	.....
San Francisco	3.69	100	5.81	13.24	13.24	47.38	100.00	.....	.....
Philadelphia	3.43	100	50.96	69.40	94.04	100.00	.....	.....	.....
Boston	3.12	100	35.96	48.68	100.00	.....	.....	.....	.....
Los Angeles	2.91	100	1.86	13.50	80.06	97.69	100.00	.....	.....
Cleveland	2.59	100	44.48	82.94	95.78	100.00	.....	.....	.....
Pittsburgh	2.40	100	22.12	76.37	99.20	.....	.....	.....	0.80
Detroit	2.32	100	65.53	76.15	77.58	100.00	.....	.....	.....
St. Louis	2.09	100	16.48	54.57	83.15	85.45	100.00	.....	.....
Milwaukee	1.60	100	5.87	22.16	95.95	100.00	.....	.....	.....
Baltimore	1.48	100	64.97	69.21	83.91	97.50	100.00	.....	.....
Atlanta	1.34	100	0.49	0.49	26.62	50.85	100.00	.....	.....
Buffalo	1.32	100	17.26	51.50	100.00	.....	.....	.....	.....
Minneapolis	1.20	100	7.28	7.28	23.94	84.42	100.00	.....	.....
Dallas	1.03	100	1.20	1.20	27.47	78.11	100.00	.....	.....
Denver	0.85	100	.....	.....	12.09	88.24	100.00	.....	.....
Seattle	0.59	100	15.90	63.31	92.97	100.00	.....	.....	.....
New Orleans	0.14	100	12.60	12.60	12.60	74.75	100.00	.....	.....
Total 20 Cities.....	78.48								

How Competition Distorts "Normal" Wholesale Trading Areas

BY

NATHANIEL H.
ENGLE

Secretary-Treasurer, Business
Research Associates, Inc.,
Washington, D. C.

(It is obvious that the figures on which this analysis is based are now out of date. Since they were compiled radio jobbers have had to go even further afield for their business, and have, in many cases, taken on additional lines to sell, which complicates any analysis of this character. The editors feel, however, that the technique employed in this research will be of interest to many of our subscribers who might care to make a current analysis of the situation in their industries, to obtain an accurate picture of "true" wholesale areas as compared with "theoretical" areas.—THE EDITORS.)

IN these days of intensive competition every sales executive is faced with the necessity of squeezing the last drop from his lean budgetary allotment. This need for



While a casual examination of the Pittsburgh wholesale radio trading area might lead one to believe that local wholesalers were drawing most of their business from a territory of 75-mile radius, an actual analysis revealed that the companies that confined their activities to this territory were obtaining but 22.12 per cent of the total city volume. See accompanying article for further details and map explanation.

making every sales dollar count plays into the hands of those who are in possession of marketing facts. Among the more important facts for which a want has long been felt are those relating to wholesale trading areas. Much effort has been devoted to this subject with but meager results. Apart from the Atlas of Wholesale Grocers' Territories, prepared some years ago by the Department of Commerce, little factual material is available. Recently, in studying this problem for a client, some new facts have come to light which may prove of interest to marketing executives, especially since more and more attention is being devoted, in many industries, to the various phases of selective distribution.

There are numerous forces at work which determine the contour of a wholesale trading area. Among them are geographical or natural factors, such as mountains and rivers, transportation and communication facilities, the density, competition and living standards of the population, and, perhaps as important as any,

competing wholesale centers. A number of these forces may be seen at work in the analysis of any wholesale market. In this article I propose to emphasize only one of them, namely, the influence of competitive wholesale centers. A brief discussion will present the recent facts about the extent of wholesale trading areas for twenty leading cities. A more thorough analysis of the incidence of competition in shaping the bounds of a single trading center follows.

The facts which are used here deal with a phase of the electrical goods trade, the wholesale radio specialty trade.* Since a number of other specialty lines are closely related in wholesaling technique, these facts may prove of value to other industries. Moreover, while the extent of the wholesale sales territory may vary considerably from trade to trade, many of the same forces are at work in each trade, and the facts for one will therefore prove helpful in others.

The accompanying tabulation (Table I) shows that there was, in 1929, a wide variation in the distances covered by wholesalers operating from the different wholesale centers. New York City wholesalers characteristically sold large quantities, over 65 per cent, in the national market. Detroit, Michigan and Baltimore, Maryland, on the other hand, reported approximately 65 per cent of their sales by wholesalers who covered a territory with a 75-mile radius or less. Philadelphia was the only additional city reporting more than 50 per cent by wholesalers operating in what may be called a local sales territory. In five other cities wholesalers had to cover a territory of 150 miles to account for 50 per cent or more of their total.

Only two cities, Boston and Buffalo, were able to keep their maximum sales territory as small as 250 miles, although Pittsburgh reported practically all its business by wholesalers selling within that radius. Six more, Newark, Philadelphia, Cleveland, Detroit, Milwaukee and Seattle, had to push their sales efforts as far as 500 miles to complete their quotas. Apart from New York and Chicago, both of

which had national coverage and some export business, the nine remaining cities found it necessary to carry their sales activities beyond the 500-mile mark to get the business they wanted. With the exception of Baltimore, whose wholesalers sold but a narrow margin in the wider area, these cities are in the South or West, where distances are great or population relatively sparse. For Atlanta and New Orleans the low percentage of native white population is a limiting factor for a specialty items such as radio sets.

Even this area was not entirely free from competition since Cleveland's local wholesale market overlaps the northwestern edge of it. It was therefore necessary for Pittsburgh wholesalers to extend sales efforts over a wider area. Those operating in a territory with a radius of 150 miles secured an additional 54 per cent or a total of 76.37 per cent of total city sales. A part of this was undoubtedly secured from within the 75-mile radius, but the fact that sales efforts had to be extended to 150 miles is evidence of competitive difficulties.

The map throws into clear relief the extent of the competition in this larger area. A substantial segment of this territory also lies definitely within the Cleveland local sales territory. Another slice belongs to Buffalo on the north. In the east, allowance must be made for the separation of the Pittsburgh area from those of Baltimore and Philadelphia by the mountains, which constitute a barrier. This means that the two eastern cities are in a much better position to secure the business of eastern Pennsylvania and Maryland. As a result of the competitive pressure from the northern wholesale centers and the mountain barrier to the east, the increase in Pittsburgh sales must have come largely from southeastern Ohio and northern West Virginia. For the same reason much of the additional 23 per cent of sales secured by wholesalers who extended their efforts to a distance of 250 miles could only have come from West Virginia and parts of Kentucky and Virginia. Further expansion to the west in Ohio would encounter the eastward thrust of Cincinnati and Columbus wholesalers.

Thus competitive forces have distorted the Pittsburgh market area into a roughly elongated oval shape, extending in a southwesterly direction, with Pittsburgh occupying a point considerably north of the center. Since each of the three groups of wholesalers sell within the local area as well as over a wider field, the sales density is greatest in the area immediately surrounding Pittsburgh. This density decreases as the southern edge of the territory is reached.

The composition of this market is interesting. There were 915,290 families within a 75-mile radius of Pittsburgh, of which 43.7 per cent had radio sets in 1930. (See Table II.)

TABLE 2

A Study of the Pittsburgh Wholesale Trading Area,
Radio Specialty Trade, 1930

ITEM—	LENGTH OF SALES TERRITORY RADIUS—		
	75 miles	150 miles	250 miles
Per cent of total sales by Radio Wholesalers	22.12%	76.37%	99.20%
Number of families (in thousands)	915	2,141	5,524
Per cent of families with radio sets.....	43.7%	43.1%	....
Families by States:			
Pennsylvania—			
No. of families (000)	703	957	....
Per cent with radio sets	44.8%	43.4%	....
Ohio—			
No. of families (000)	138	861	....
Per cent with radio sets	41.0%	48.0%	....
West Virginia—			
No. of families (000)	72	188	....
Per cent with radio sets	36.5%	26.6%	....
Maryland—			
No. of families (000)	2	49	....
Per cent with radio sets	20.8%	32.8%	....
New York—			
No. of families (000)	...	53	....
Per cent with radio sets .....	...	45.3%	....
Virginia—			
No. of families (000)	...	33	....
Per cent with radio sets .....	...	14.8%	....

Studied in connection with the map on the first page of this article, this table gives a revealing picture of the "scattering" effect on "normal" wholesale areas, of competitive influence. See article for complete explanation.

The competitive forces which shape a wholesale trading area may be observed in all of these cities. To illustrate, I have selected the city of Pittsburgh, Pennsylvania. The statistics in Table II and the accompanying map tell the story. An *a priori* examination of the Pittsburgh market might lead one to believe that most of the wholesale trade would lie within a circle of 75 miles, since there are so many large wholesale centers in close proximity.

What are the facts? Pittsburgh wholesalers in the radio specialty trade, who confined their activities to a radius of 75 miles, secured but 22.12 per cent of the total city volume.

*Similar facts have been prepared for the entire electrical trade, for the grocery, dry goods, hardware, drug, and paint and varnish trades, but have not yet been published.

The area lying in Pennsylvania accounted for 702,822 of these families, Ohio 138,071, West Virginia 72,348, and Maryland 2,049. The percentage of families owning radio sets may be used in two ways. It constituted at once a guide to potential markets and a rough measure of purchasing power. On the assumption that those who buy once may be expected to buy again, as newer and better models are offered, a high percentage indicates a better market than a low figure. Both the Pennsylvania and Ohio portions of the inner or local Pittsburgh sales territory show a greater radio saturation than the other two states. This is no doubt partly due to higher standards of living in the former localities, although possibly more intensive sales effort is also a factor.

The extension of the sales territory to a distance of 150 miles from Pittsburgh brings parts of two other states into the picture. Southwestern New York state with 52,912 families, 45.3 per cent of which had radio sets, was no doubt a good market for radios, if we can use the percentage of families with radios as a measure of potential markets. Pittsburgh wholesalers, however, could not have secured much business there due to the competition from Buffalo, pointed out above. Some better Maryland territory lies in this 150-mile area as indicated by the higher ratio of families with radio sets. The opposite is true of the additional West Virginia counties, which pulled the percentage of families with radios down from 36.5 per cent to 26.6 per cent. The few Virginia counties in this area were likewise of little value as radio markets on the basis of the same measure. Both of these areas are known to maintain relatively low standards of living.

In conclusion it should be pointed out that Pittsburgh specialty wholesalers do not face a particularly happy situation. Their richest and nearest markets are also the most highly competitive. Sales efforts are therefore forced into less desirable and more remote territories. And there is a limiting factor on such expansion in the increasing cost of distribution. A recent analysis of the relation between the extent of sales territory and wholesaling costs shows the extent and direction of cost limitation.** If sales can be increased substantially by increasing the market radius, the ratio of costs to sales may decline. However, costs rise very sharply when sales

** "Radio Sets, Parts and Accessories" Wholesale Distribution—No. W.-202. N. H. Engle. Page 25. Available from Superintendent of Documents, Washington, D. C., 10 cents.

efforts are expanded without increasing average sales per establishment. Therefore, in view of the relative poverty of the sales terrain available to them, it would appear that Pittsburgh wholesalers might find their cost curve rising more sharply than their sales as their selling efforts are extended. This factor, rather than competition, would seem to determine the southern limit of their wholesaling area.

It is possible for sales executives to utilize such facts as are presented here to secure better and more scientific market coverage. Adjustments must

be made, of course, for trade differences, but even partial adjustments should give a better working idea of wholesale market areas than has been available before. At least it is well for the manufacturer to know the general contour of the territory regularly covered by wholesalers operating from a given city. For wholesalers and manufacturers' wholesale branches to know the sources and the direction of competitive thrusts and the composition of their sales territory should prove of no little value in reducing distribution costs.

Televoice Harnesses the Telephone to Widen Executives' Operations

Automatic private broadcasting, an automatic secretary and an automatic "monitor" for listening in on telephonic contacts with the trade, are being put on the market by Televoice Corporation, recently launched in New York, to employ the telephone in widening the scope of executives' operations and in improving their companies' business.

J. B. Spencer, civil engineer, is president of the company; Stephen Downey, secretary and treasurer, and Morris Keiser, vice-president. Mr. Keiser, formerly with the United States Bureau of Standards and the Standard Oil Company of Indiana, is said to have developed the seismographic method for locating oil deposits before drilling. He also invented the devices which Televoice is now putting on the market. Harry W. Arnold, for several years vice-president and general manager of Delco-Lite Corporation, subsidiary of General Motors, is in charge of sales, and E. A. Schwab of advertising.

In the near future the corporation will introduce devices to aid the hard-of-hearing and an automatic burglar alarm—both employing the telephone.

The private broadcasting system, Mr. Arnold said, enables an executive to pick up a telephone, wherever he may be, and talk to groups in other cities, the amplification being done through a loud speaker in the hall where the particular meeting is being held. A disc which is merely placed near the telephone bo provides the contact with the loud speaker. Except for the initial cost of the amplifier, the charge is the same as an ordinary long distance call.

The monitor, Mr. Arnold added, enables an executive to hear the telephonic conversations of salesmen and other employees, without their knowl-

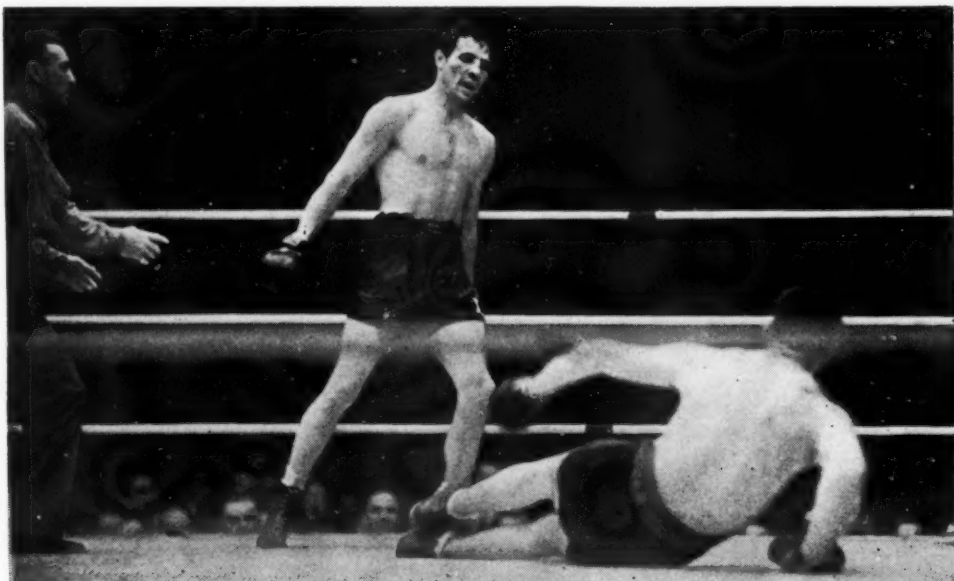
edge, through six different pick-up boxes placed near their phones but hidden from the speakers themselves—the purpose being to strengthen trade and public contacts and improve the salesman's approach.

Manual recording of telephone conversations, by means of a connection with a dictating machine, and automatic recording of phoned messages to executives and others when they are out, are provided by the "secretary." The manual system is intended to eliminate the necessity of written confirmation of orders and other statements made over the phone. It can also be used for recording radio programs and for rebroadcasting. When an individual is called and if he is out, the "secretary" lifts the telephone from the hook, reports the absence to the caller and takes his message.

When a burglar appears, you press a button nonchalantly with your foot. These buttons, concealed, are conveniently located throughout the store. The pressure lifts a concealed telephone from a hook and starts a dictating record.

"The products will be distributed," Mr. Arnold explained, "through a 'distributor-dealer type' of organization—with the distributors holding the franchise of the Televoice products in principal cities—who will appoint dealers in outlying towns. There will also be display dealers in the larger towns and direct selling men. Distributors already have been appointed in Boston, Hartford, Philadelphia, Baltimore, Detroit, Kansas City and San Francisco.

"Televoice will start a campaign on the first three products in business papers about August 1, and will probably promote them in newspapers later, on a 50-50 basis with distributors. The hearing aids and burglar alarm will be advertised in general media."



International News Photo

The Priceless Ingredient

BY R. E. SMALLWOOD

ANY man who sat at a ringside seat in the Yankee Stadium three weeks ago when Maxie Baer trounced the German ex-champion, Schmeling, must have been impressed with one thing above all others, and that was the smiling confidence of the California Bear.

From the moment he entered the ring, there never was a doubt in Baer's mind but that he would emerge the winner. That was plainly evident during even those few minutes which preceded the first round. Baer was carefree, almost jocular in his comments with his seconds. Schmeling was tense and quiet.

Before the fight was one minute old Schmeling had slipped over a punch to the jaw which had TNT written all over it. Was Baer worried? Not that you could notice. His smile of confidence deepened. From first to last he fought with the idea that the fight could end in only one way—a victory for himself.

The difference between Baer and Schmeling that night can be summed up in one word—*confidence*. Both were in superb physical condition. Both were powerful, experienced fighters. But Baer carried more than a paralyzing punch. He was literally saturated with that priceless ingredient—*confidence*.

Perhaps the greatest example of self-confidence the sports world has ever produced was made in Chicago last fall during the third game of the Worlds Series. The Cubs and the Yankees had

been riding each other unmercifully. In particular did the Cubs ride Babe Ruth.

The Babe was at bat in the third inning of that third, and crucial, game. There were two strikes on him and the Chicago bench-warmers were making the most of a grand opportunity. Suddenly the Babe stepped out of the box and faced the Chicago bench. He held up two fingers, indicating two strikes. He held up one finger, indicating the next ball to be pitched. He then pointed into centerfield, stepped up to the plate and pounded into deep center one of the longest home runs ever seen in Chicago. From that minute on, the Cubs were through.

What is true in the competition of sports is equally true in selling. You can represent the best product on the market. You can know all there is to know about this product. You can be backed with millions of dollars' worth of advertising. But in order to make a substantial sales record, you must have confidence. Without that priceless ingredient everything else goes by the board.

Confidence is the net result of successful experience. A salesman gets it by closing sales. The more sales he makes, the more confident he becomes. If you would develop your confidence, first take the steps necessary to increase your sales. Determine to make five extra calls next week. At the end of that first week, you will have a greater share of *confidence*. Nowhere more than in selling does success *make* success.



When Pictures Tell and Sell

Priscilla—we just know her name must be Priscilla—is showing the Indians how she makes cottage cheese. One of the interesting "shots" in a film devoted to the history of cheese-making, sponsored by Kraft-Phenix to tie up with the Century of Progress Exposition in Chicago.



(Left) One of Frigidaire's new films is a direct tie-up with their booklet, "The Key to Meal Planning." The salesman presents the booklet and shows the film on the same call.

(Right) Another reel is devoted to picturization of details of manufacture, showing the precision and care with which Frigidaire's products are produced.



SALES PROMOTION

PAINT WEEK NEWS SPECIAL EDITION

BIG BARGAINS IN PAINT

Big Sale of Devoe Paint Products at 1/2 Price

Manufacturers' Promise to Beautify Homes while Keeping Inside Budget

SPACES HERE FOR DEALER'S NAME AND ADDRESS

CIRCULAR

THIS IS Devoe Paint Week

STREAMER

PAINT WEEK BARGAINS

FOLDER

LOWEST PRICES in YEARS

TIME TO REPAINT

POSTERS

"Paint Weeks" convert Spring and Fall paint needs into sales.

53

(Above) Devoe & Raynolds' first film, introduced early this year, gave dealers the complete picture of the merchandising plan behind Devoe products. Among other things it encourages better local tie-up through showing how the most successful dealers merchandise paint. This slide tells the retailer how to put on a "Paint Week."

Kraft film by Atlas Educational Film Co.; Frigidaire by Jam Handy Picture Service; Devoe & Raynolds films by Patheoscope Company of America and Jam Handy.

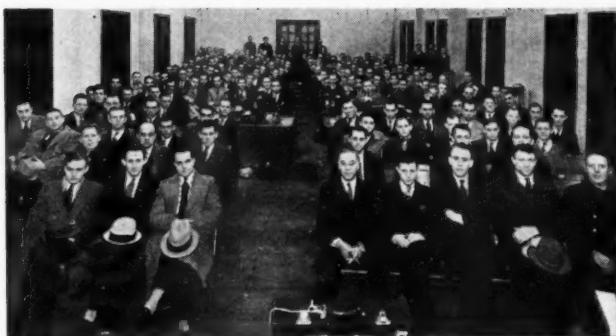
(Below) Devoe believes that the best retail promotion springs out of a keen appreciation, on the part of the dealer, of the real magnitude of the sales opportunity which exists for paint and painting accessories. This is the way they pictured the potential market for this year.

Here is the business opportunity offered to you for 1933 —

Normal Average \$11,000,000	+	Deferred Business from 1930 & 1931 \$50,000,000	=	1933 Opportunity \$110,000,000
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Sell 2 gallons this year for every gallon you ever sold before.

4



Over 200 members of the Frank Company, Savannah, Georgia, gathered recently to hear and see the Raybestos talkie on brake linings.

Tough Sales Problems the New Sales Films Are Solving

Getting the Complete Story Told to Dealers

In January of this year Devoe & Raynolds, paint manufacturers of New York City, introduced their first sales film. The results were so satisfying that they have since made a second, and are now at work on a third.

Each of the D. & R. films has been designed to meet a specific marketing problem. The first, called "Profits in Paint" (Pathescope), was planned to give the dealer a complete picture of the broad merchandising program, and the various other types of co-operation, which are available to Devoe & Raynolds' retailers.

In outlining the job of this film, Ivor Kenway, manager of advertising and sales promotion, pointed out that, in the case of a merchandising program as elaborate as Devoe & Raynolds', it is always difficult to get salesmen to tell the complete story to every dealer.

"While we always have a summary of each year's sales plan available to the salesmen in portfolio form," Mr. Kenway said, "the salesmen were in the habit of selecting only those portions of our story which they felt might interest any individual dealer who was to be called upon. Our experience with our first sales film has shown conclusively that they often omitted portions of our story which should have been told.

"In 'Profits in Paint,' therefore, we outlined the complete story of our plan, just as we wanted it told—national advertising, local tie-up, window display, store planning service,

retail accounting service, and so on. Since we operate on the exclusive dealership plan (or exclusive territories in the larger metropolitan centers), our problem isn't so much one of getting many more dealers as it is to get the specific new dealers we'd like to have, and, above all, to build up the retailers already on our books.

"In January, when our new film was ready, we held a series of meetings for our dealers in and around New York—about 700 attended eight gatherings. After these showings we had 55 calls for our Store Design Service from the dealers who attended, whereas we had had perhaps less than half a dozen calls for this service from this particular section in the year previous. We had 45 calls for our Business Management Service—this, I might explain, involves a complete examination of the dealer's books by an accounting expert, who makes up an operating budget, allots various expenditures, and, if necessary, helps the dealer work at reductions on items that are out of line or handle similar problems."

Similar dealer group meetings were later held in other metropolitan centers—Buffalo, Chicago, Kansas City, Atlanta—while individual showings were arranged by Devoe & Raynolds salesmen to cover the dealers who were located at other points.

The response from dealers to the film has won the complete cooperation of the salesmen, Mr. Kenway reports. Typical comments from recent reports run this way:

"For the first time my dealers are getting a complete picture of what we have to offer."

"The dealers in my territories have been having their salesmen sit in at

these meetings so they would all be familiar with our plans."

In the case of the second film, "Common Sense Selling" (Jam Handy Picture Service), D. & R. are tackling the problem of the retail salesperson. This film is more inspirational in nature; it attempts to present selling in its professional aspect, and to give the retail salesman a vision of his job which will lift him out of the clerk class. It builds dignity for the work of selling, then shows by example how the best paint salesmen handle customers—what questions they ask, how they meet difficult selling problems, how they expand the unit of sale by suggestion selling. It shows the research and laboratory background that enables the company to produce the highest quality materials.

With this film the salesman reads a prepared selling talk which has been especially prepared to tie up with the slides as they come on the screen. All salesmen will carry this presentation and will arrange evening meetings with dealers and salespeople at which showings will be made.

The third Devoe & Raynolds film is to be called "From Pig to Pigment—a Story of Brush Merchandising" (Pathescope). It will go into the manufacture of quality paint brushes, and will give dealers a wealth of information which will help them build up brush sales.

Half Million See Kraft Film Tie-up With Fair

"Remarkable," said officials of Kraft-Phenix Cheese Corporation when asked if they had noted any results

from the continuous showing of the company's new motion picture, "The Triumph of the Century." Circulation of the film started in February. To date more than 500,000 have attended showings.

The Kraft film was designed not as a direct promotion piece, but as a tie-up with the Century of Progress Exposition being held this year in Chicago. Fifty-five prints are in circulation—35 for general educational institutions, clubs, colleges, grammar schools, lodges, etc., which are sent for cost of shipment, and 20 others for use at district sales meetings, wholesale and retail grocers' meetings, etc. For these latter the company furnishes its own machines and operators.

In addition to many scenes from the Exposition, the films depict the development of the cheese industry. A typical "shot" (reproduced) shows a woman in old Fort Dearborn making cottage cheese for the soldiers while a group of Indians watch the process with curiosity. The first packaging of Kraft cheese in 1915 is shown, and, finally, a series pictures the making of Philadelphia Cream Cheese in a thoroughly modern plant.

Dealers in neighborhoods where displays are given are urged to make special window and store displays of Kraft goods.

Frigidaire Features Meal Planning Picture

In its recently introduced film, "The Frigidaire Key to Meal Planning" (Jam Handy Picture Service), the Frigidaire Corporation initiates a new idea in slide film presentations—a "two-in-one" film. The first part of the film is for prospect showing, and it ties up directly with the Frigidaire standard sales talk. Working according to the company's standard sales procedure, Frigidaire salesmen deliver a copy of a new sales promotion booklet for the housewife bearing the same title as the film. This "Key to Meal Planning" is designed to help any housewife, no matter what type of refrigerator she may be using. It contains information on planning meals, gives complete information on menus, suggests menus that are dietetically balanced, etc. Figures and facts on savings the Frigidaire makes possible through bargain buying, quantity buying, and the utilization of left-overs are included.

The purpose of the first portion of the film is to explain the meal-planning booklet, which is presented to the housewife on the same call, and

to serve as a lead-in to the Frigidaire demonstration.

The second part of the film is a sales training section designed to show the salesman the proper procedure in using the first section in actual contact with prospects.

A second new slide film sponsored by Frigidaire is a training film designed to sell Frigidaire men on the precision and quality built into the company's products. It is so prepared that it can be shown to a prospect when and if desired.

The Frigidaire Corporation supplies dealers with films under a "Sales Builder Service" contract. Under this plan dealers subscribe on a quarterly basis and receive new films as fast as they are issued. For example, the first quarter's service for 1933 consisted of four films, at a cost of \$8; the second quarter's, six films, at \$12; six more films will be produced during the third quarter, and two during the last quarter.

Film Improves Jobber Relations for Raybestos

During the past year the Raybestos Division of Raybestos-Manhattan, Inc., Bridgeport, Connecticut, manufacturers of brake linings, has employed a sound film with a threefold purpose: to show how the company's merchandising program has developed thriving brake service stations; to give some instruction in the fundamental principles and adjustment procedures on different types of brakes; and to give the trade a "trip" through the factory. Its title is "Breaking in on Brake Prosperity" (Castle Films, New York).

"The use of this picture to approach prospective jobbers has produced the most tangible results," reports Paul Wooster, of the Raybestos Division, "although its most favorable reception, wherever the picture has been shown, has undoubtedly had a great influence on Raybestos receptivity. Almost all showings have been supplemented by talks by salesmen or service engineers followed by open discussion which often lasts until after midnight."

Sixteen sets of Victor Animatophone equipment are in use in the United States and Canada for showing this picture before meetings of jobber salesmen, jobber meetings of their trade, automotive equipment shows and clinics, civic clubs, trade schools, high schools and other audiences. Wherever possible, two salesmen handle the meetings, one giving short talks and answering questions, while the other changes reels.

"Attendance figures varied greatly during the first year the picture was in the field," Mr. Wooster said. "For this period we recorded on special forms 765 shows with a total attendance of 52,000 exclusive of Canada. Our most effective meetings from an immediate results standpoint were those where we offered door prizes and used the names thus acquired for follow-up work during the few days after the show. With the exception of the third reel, which is rather too technical for the layman, the picture receives surprising praise at consumer showings. On the other hand, this third reel has proved the most impressive to those in the trade."

Here is a brief synopsis of the subject matter of the three reels which constitute the showings:

First Reel: After an introductory footage pleading for greater thought to safety, by comparing auto fatalities with those of the World War, Bill Wilson, a garage owner, is seen at the desk of his dusty office in a drab and uninviting garage and repair shop. Business is going by the door. Bill opens his mail and runs across the Raybestos house organ, which reminds him of a jobber-salesman who recently called to interest him in brake service. He phones the jobber-salesman to come out and they go over the Raybestos proposition together. Living not far from the Raybestos factory, the jobber-salesman suggests that Bill Wilson call on Mr. Davis, general sales manager of the Raybestos Division of Raybestos-Manhattan, Inc. This he does and Mr. Davis takes time from a busy day to show him through the factory.

Second Reel: Devoted to manufacturing processes, as explained by Mr. Davis to Bill Wilson on their tour through the plant.

Third Reel: Mr. Davis has turned Bill Wilson over to Mr. Pope, the engineer, who proceeds to explain the more technical phases of brake lining manufacture, laboratory and road testing and brake service essentials.

Fourth Reel: After a lapse of time, Bill Wilson is seen as a proprietor of a modern, prosperous, scientific Raybestos Brake Service Station demonstrating what can be accomplished by applying the merchandising methods as presented by Raybestos. Important details in the proper operation of a super-service station, such as the courteous handling of customers, refusal to quote prices over the phone and the weekly address by the boss to his men, are all well dramatized.

Abe Potash on the Air

The McCann-Erickson people do some pretty wide reading. Having recently put Dumas' "The Count of Monte Cristo" on the air on behalf of Forhan's tooth paste of Zonite Products Corporation, they are now engaged in preparing Montague Glass' bickering business characters, Abe Potash and Mawruss Perlmutter, to do some radio selling for Feen-a-mint laxative. Mr. Glass is doing the dramas. Feen-a-mint is made by Health Products Corporation.

New York Electric Utilities Drop the Sale of Domestic Appliances

TODAY—July 1, 1933—is a sort of Independence Day for dealers in domestic electric appliances. On this day the electric subsidiaries of perhaps the richest and most potent local utility company stop selling these products and turn this largest market over to the stores.

The utilities involved—the New York and Brooklyn Edison companies, United Electric Light & Power Company and New York & Queens Electric Light & Power Company—are subsidiaries of the \$1,350,000,000 J. P. Morgan-sponsored, Floyd L. Carlisle - George Cortelyou - directed Consolidated Gas Company of New York.

The action follows that of Niagara Hudson Power Corporation, another member of the "Carlisle group," in its upstate New York companies.

The hardware, furniture, department and specialty store people hope that, with these important precedents, other members of the Edison Electric Institute will be persuaded to go and do likewise. The Institute, in which "Morgan" companies are rather strong, succeeded last winter the old Insull-controlled National Electric Light Association. Mr. Cortelyou is its president.

But as a matter of fact some of the electric utilities, like the New York Edison system and Southern California Edison, have been in and out of this business off and on without much effect on the independents. Others, like Cleveland Electric Illuminating Company and Louisville Gas & Electric Company, have never entered it. On the other hand, these latter companies have advertised the services which certain kinds of appliances render. They have displayed appliances—contributed by various local merchants and turned over orders received to the displaying merchants for execution. In fact, virtually all of the utilities claim that they have tried to enable the independent merchants and the manufacturers who serve them to sell a lot of good merchandise and to make a fair living in the prices. Those utilities who have gone into the appliance business, it is said, have done so from necessity rather than choice. Especially for new products, and more expensive products, they felt their facilities to be needed. But they have been and are concerned

not so much with the sale of appliances but with kilowatt hours.

Thus the share of the utilities in the domestic appliance and lamp business has been reduced about one-half in the last five years from 30 to 17 per cent of the total retail volume. For the year ending March 31 the utilities' share of the retail dollar volume was:

	Electric Light & Power Companies	Per Cent	Total Sales
Lamp (bulbs)...	\$4,455,000	6	\$24,565,000
Electric Refrigerators	22,223,500	15	146,860,000
Electric Ranges	6,174,300	68	9,040,000
Electric Water Heaters	953,200	95	1,000,000
Small Electric Appliances ..	18,762,500	15	128,435,000
	\$32,568,500	17	\$309,900,000

Five years ago the appliance business of the electric subsidiaries of Con.



Blank-Stoller Photo

Floyd L. Carlisle

Gas was about \$3,000,000, an official of that system reports. "Since that time we have been active in increasing the volume of other outlets in our territory, with the result that our appliance volume has been steadily downward."

C. E. Greenwood, commercial director of the Edison Electric Institute, describes the policy of the utilities in the sale of appliances as one of "co-operative competition." They are no less active in promoting appliances even when they are not selling them.

The New York Edison system continues to get out an "advance showing" of its succeeding month's adver-

tisements, for salesmen, dealers and manufacturers. Concerned not with brands but with types of products and services—refrigeration, water coolers, irons and fans in July, the advertisements will appear, all told, in 90 newspapers and magazines.

On the other hand, Mr. Greenwood explains, it has been found that where the utilities have been active not only in advertising the service of home appliances but actually in selling the appliance themselves, the greatest progress has been made. When a bill to prohibit Oregon utilities from selling appliances was killed last February, the dealers united in a request that the Portland Electric Power Company renew its vigorous advertising campaign. An appliance manufacturer showed recently, in contrast, that in Cleveland, where the utility has not actually been selling appliances, the per capita appliance sale is lower than in most other cities where the utilities both promote and sell.

"Though bills have been introduced in a score of state legislatures in the last two years, to prohibit the sale of appliances by utilities," Mr. Greenwood adds, "only two of these—in Kansas and Oklahoma—have passed. The Kansas law recently was declared unconstitutional by the state Supreme Court. In Oklahoma not the small independent merchants who made most of the clamor for the law, but the department and chain stores, now get the lion's share of the volume. The reduced proportion of appliance business by the utilities nationally in the last five years has aided chiefly the department and electric specialty stores.

"By increasing the use of electric products in the home the utilities have reduced the average household kilowatt hour rate from 6.63 to 5.58 cents."

Incidentally, the merchants may get a few pointers on how to make the most of the opportunities which the New York Edison and Niagara Hudson systems have provided from a report of the Electrical Merchandising Joint Committee, formed by the National Retail Hardware, Furniture and Dry Goods associations, and the Edison Electric Institute, which will soon be published. Copies will be available, at \$4 each, at the offices of the committee, 225 West Thirty-fourth Street, New York.

Dolan and Isler Have Set Records Every Month for Fourteen Years

EVERY month of every year since they formed their partnership as the Wilbert Products Company in 1919, William A. Dolan and Herbert Isler have increased their dollar sales over the same month of the previous year. Every year they have made more money for themselves. In 1932, for instance, their dollar volume was 22 per cent more than it was in 1931. In the first five months of 1933 it was 34½ per cent ahead of the same period of last year.



William A. Dolan
Sales manager who produces

The reason is this: They have taken each day as it came and made the most of it. Each day, whether in general good times or bad, is 24 hours of new challenge and of new opportunity. They accept the challenge. They make a vigorous grab at the opportunity. And in the process—working and learning at least 12 of those 24 hours—they forge ahead.

The partners are said to sell more ammonia, for example, than any other company in America. They now have 75,000 outlets—for their ammonia, Javex bleach, their Lemon Oil polish and No-Rub floor wax. Almost every voluntary and centrally-controlled chain—A & P and IGA and scores of others—are now numbered among their customers. A two-year distribution of coupons to 2,088,000 house-

BY

LAWRENCE M. HUGHES

wives in the New York Metropolitan area has just increased the number of customers for the ammonia and Javex there 15 per cent.

Yet they feel they are just getting started. They have appointed N. W. Ayer & Son to conduct a nation-wide newspaper and point-of-sale advertising campaign this fall, primarily to develop independent grocery outlets for the No-Rub floor wax, with the wax and a mop being sold together to consumers for 69 cents. And on July 1 a million packages of their new product, Smoothie, which enables you, for 10 cents, to make ice cream in your automatic refrigerators simply by mixing it with cream and milk, will be on the shelves of 50,000 stores.

No Self-Defense

The growth of the partnership has been due not to high-pressure methods but to continuous effort to find out what stores and stores' customers want and then intelligently and profitably to supply it. They do not go out to sell. They go out to get, usually from the chain executives, ideas that will be mutually profitable. They do not argue. They do not defend themselves, nor attempt to thrust policies and products down the stores' throats. They change their policies and products frequently to meet a broader need. They start each day on the assumption that nobody has heard of them or their wares and that they must justify their existence all over again and a bit better than they did yesterday.

This keeps them from becoming too cocky. For cockiness is fatal in selling large organizations like chains, where the weight not of personality but of product values counts. Being young, and starting from scratch, however, they do appreciate their material success. They are quite proud of their new headquarters in East 139th Street. But Mr. Dolan's desk, at which the reporter sat, was a little gooey from demonstrations. (Mr. Isler's desk was opposite in the same big room.) Mr. Dolan was on his feet during most of the interview. Having tried several times to catch him, the reporter

realized that he did not spend much time in that comfortable new chair. Mr. Isler bobbed in now and then to help the development of the story. In fact, Mr. Dolan told the reporter that when Ayer was appointed to handle the advertising, the program had to be drawn up in the evenings. The partners were too busy selling, daytimes.

Will Dolan and Bert Isler, now 36 and 37, went to New York University together. They became good friends there. They are still good friends.



Herbert Isler
Buyer who sells

An old German chemist taught them a bit about ammonia. With a formula for it and \$65 in cash, they decided, on June 7, 1919, to go into business.

The partners took their \$65 to the Bronx National Bank and placed it on deposit. Almost in the same breath they asked the cashier for a loan of \$1,000. When the cashier had properly swooned, they marched into the president's office. The president was an Irishman by the name of Quinn. But that did not interfere with his sense of responsibility. He refused to let the bank make such an absurd loan. But something about the two young men—perhaps it was their earnestness and enthusiasm—induced him to risk a personal loan of \$1,000.

Proceeding to their factory, a store at 160th Street and Courtlandt Ave-

nue, the partners went to work. They mixed up three barrels of ammonia solution, hand-filled it into bottles, stuck on labels with flour-and-water paste, hired a venerable open cart and horse for \$3, and sallied forth.

Thunder at the Start

But not immediately to prosperity. A thunderstorm came up, as thunderstorms do in New York in June, and proceeded to remove the labels. Then the horse balked in the middle of a hill at 145th Street and Eighth Avenue. The partners had to pay one of their precious dollars to the driver of a coal truck to get them to the top. The first day was largely loss.

But by the end of the first month they had peddled \$110 of ammonia.

The partners made their ammonia carefully. It was, they claimed, double the usual strength. They offered it to stores at a lower price than that of competitors, and though it was no kinder to the nose than other ammonias, they demonstrated on their separate calls that Wilbert's ammonia (the name Wilbert being a merger of the first names of the two) would not harm the skin. One application probably would not, but by the time they had demonstrated the fact a whole day their faces were pretty red and swollen. Shaving became a very delicate and painful operation. But they kept on. Competing with one another as salesmen in their own business, working long hours, and assuaging their cheeks as best they could, each signed up a few stores. The stores liked them and their products (they had lemon oil furniture polish) and repeat orders began to come in. The partners filled each order promptly, always within 24 hours. This simplified matters for their customers and reduced their own inventories, too.

Both the partners were selling in those days and both are selling still, though Mr. Dolan bears the title of sales manager. When one of them succeeded in gaining *entree* to a chain, he "stayed with that account until he had clicked everyone on it." Each year the pair had a few more accounts on their books, usually bigger accounts than before. Each year showed an increase in the business from established accounts. New products, improved processes and packages, new and more effective sales ideas, tended to that.

The chief characteristic of the business—especially valuable in these recent years when high overhead and tight policies have done so much damage to many businesses—has been its elasticity. The reason for this is that Mr. Dolan and Mr. Isler own the busi-

ness outright and because they have devised ways to do more business yearly without proportionate increase in the size of the organization. Wilbert Company has only eight salesmen, in addition to the partners—five in the New York area, and one each in Philadelphia, Boston and Chicago. In other markets the company sells through brokers. The organization is small enough to give ideas a chance. "If we get an idea at 9 o'clock in the morning," said Mr. Dolan, "we can have it in operation by 9:03."

The orders are still being filled within 24 hours of receipt. The production machinery is almost wholly automatic, requiring a force of only 30 operators. Basic chemicals, bottles and other materials are delivered daily. The company delivers by truck to customers within 200 miles, by train to



A bit of surprise in a paper sack. A recent deal that helped the chains and Wilbert Company, too.

more distant points. Mr. Dolan was quite proud of his process and ingredients. He took the reporter to the window to show him the trucks of the companies unloading below. They were from General Chemical, Standard Oil of New York, Owens-Illinois Glass.

The sales representatives, Mr. Dolan explained, are left pretty much to themselves. "They are the business in their territories. They are paid salaries and drawing accounts. Our best men make \$100 a week. We don't want anybody who cannot earn more than \$50. He cannot support his family, nor really contribute to the business on less than that. The men develop and serve their own accounts.

We tell them we don't want reports from them—only orders. If they must express themselves on an account, they write it on the bottom of an order. This saves trouble and expense.

"We hold sales meetings now and then, but without chairmen. These meetings are really free-for-alls. When one man complains that he cannot sell a certain product at a certain price, another will usually speak up to say that he *is* selling that product at that price, and the first is squelched. If Mr. Isler and I take the lead at these meetings, it is not so much because we own the business as because we set the sales pace.

"Of course, we are not satisfied with ourselves. Our growth, though consistent, has not been so wide and thorough as we hope to make it. Eighty per cent of our outlets, for example, are chain stores. We should have more independent outlets. The advertising campaign this fall will help us to get them. We have made mistakes in products and plans, but we have always developed something else to throw into the breach. The result has been that our orders do not fluctuate more than 10 per cent throughout a year, and the fluctuation is consistently upward. To be sure, we have to work like hell during the summer to make this showing.

Counting 2,088,000

"Constantly we are trying to determine our market and 'use' possibilities, and to realize them. Before the distribution of coupons among 2,088,000 homes in the New York area, we found, for instance, that not one woman in 26 ever used ammonia to brighten and restore the colors of her carpets and rugs. Yet this was one of the best uses. Of course, we stressed it in the coupon campaign. We tried to get old users acquainted with the new uses.

"We also found that many women thought that all ammonias were the same. Nothing could be further from the truth. We changed our package completely so that when a woman used Wilbert's Double Action ammonia she would remember it by the different shape and style of package. This change has helped repeat sales considerably in stores where we rechecked after the coupon campaign.

"Each new product is 'original.' The ideas may come from store executives. But the features, as worked out by our own laboratory men, are distinctively ours. So are the merchandising methods. The No-Rub floor wax, for example, was first in-

(Continued on page 39)

All Premium Records

EINSON-FREEMAN

Over Twelve Million Sold.

Not even the jig-saw premium idea, which we introduced over a year ago, can compare with the instant and enormous acceptance of this new Einson-Freeman "rage".

Over 12,000,000 sold in one month—world-wide inquiries by wire, long distance and cable—reorders already pouring in by the millions. All these facts testify to the tremendous pulling power and popularity of the characters of the Comic Page, Screen and Sports world—**ALL** under exclusive contract to Einson-Freeman—and applied to the one thing that means "fun, good times" to young and old—the **MASK**.



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SCREEN STARS &



EINSON-FREEMAN CO., INC., Long Island City, N. Y.

Smashed By The New

"PAR-T-MASKS" PATENT APPLIED FOR

Reorders Pouring In!!

Note the names and standing of a few of the advertisers already using millions of "Par-T-Masks."

Listerine

Wrigley

Socony-Vacuum

Quaker Oats

Procter & Gamble

Westinghouse, etc.

Get in RIGHT • right at the start! There are still a score or more first-rank comic series and dozens of famous screen and sports stars available on an **EXCLUSIVE BASIS TO LARGE PREMIUM USERS.**

And remember • when you buy "Par-T-Masks," you are not merely buying a "novelty", but participating in one of the broadest campaigns of publicity yet used to get the country stirred up about a new idea! **WRITE, WIRE OR 'PHONE FOR DETAILS AT ONCE!**





There's business for you out there — if you know where to find it

THERE's business to be had if you know where to find it. The important thing is to be in the right spot at the right time to get the order. When decisions are made, they are made quickly. A few hours may mean the difference between "yes" and "no."

To help locate live prospects is one of the chief functions of Long Distance telephone service. It is the long right arm of a great many salesmen and sales departments. It gets the O. K. of executives who are checking costs because it brings back dollars for every dollar spent.

Long Distance produces results because it multiplies your ability to be many places in a single day. Without moving from your desk or hotel room you can locate profitable prospects without useless chasing. You can talk personally, without long lobby waits, with the men who make decisions and place orders.

"We added the telephone to our sales force," says the President of the Champion Coated Paper Company, "and it became our star salesman."

The Norge Corporation writes—"Long Distance is one of our most profitable business tools." In one average month the Minneapolis division of the

Skelly Oil Company made sales totaling \$293,000 at a telephone cost of \$1008 or less than $\frac{1}{2}$ of 1%. The Kellogg Company, of Battle Creek, says: "The success of our merchandising plans requires an almost unlimited use of Long Distance."

Almost daily come reports of businesses, large and small, that are holding old customers and developing new markets by a planned use of Long Distance.

For more information on Long Distance telephone service, just call your local Telephone Business Office. There is no obligation.

TYPICAL STATION-TO-STATION RATES

From	To	Daytime	7:00 P. M.	8:30 P. M.
Indianapolis	Cleveland	\$1.25	\$1.10	\$.75
New Orleans	Atlanta	1.95	1.65	1.10
Boston	Chicago	3.25	2.65	1.75
Denver	San Francisco	3.75	3.00	2.00
Kansas City	New York	4.00	3.25	2.25

Where the charge is 50 cents or more, a federal tax applies as follows: \$.50 to \$.99, tax 10 cents . . . \$1.00 to \$1.99, tax 15 cents . . . \$2.00 or more, tax 20 cents.



Credit Plan Increases Canada Dry Volume 60 Per Cent in May

Sales of Canada Dry Ginger Ale, Inc., New York, rose 60 per cent in May over May, 1932, largely as the result of the introduction of a retail credit plan.

The plan provided that distributors could place orders during the month on the basis of one-third due in 45 days, one-third in 60 and one-third in 90 days, invoices to be dated ten days after shipment. The distributors, in turn, would grant retailers 30, 45 and 60 days, for payment of each third of the amount due. Thus both were enabled to buy to meet their needs without tying up their own money.

Canada Dry agreed to shoulder credit losses of distributors up to 2 per cent of all sales made under the plan. Special order forms were used in triplicate—one kept by the distributor, one by the retailer and one going to the manufacturer. Each order by a retailer was approved by the distributor and his credit manager. Losses under the plan, Canada Dry believes, will be negligible.

Intensive advertising and sales work supported the program. Announced at a sales meeting in April, the plan was started in New York the first week of May, the middle western and southern territories being developed later in the month. It was introduced on the Pacific Coast the first of June.

Though June volume probably will not be so large as that of May, because of the month's duration of the offer, they will be larger than those of last June.

The chief problem, explained a Canada Dry executive, was to get the distributors to accept and promote the plan. The 2 per cent credit allowance was provided as an extra incentive. About 1,000, or 80 per cent of the distributors, accepted.

The plan was put over by sales "shock troops" who, concentrating on one area at a time, told each distributor personally about it. The company mailed broadsides to dealers in each distributor's territory. Canada Dry's intensive newspaper campaign, in black-and-white and roto space, was used as an extra incentive. And the merchandising men of many of the newspapers went out, with broadsides, to tell the dealers their advantages.

Ivory Shaving Cream

Procter & Gamble Company, Cincinnati, is introducing Ivory shaving cream through regular drug channels—marking the company's entrance into the drug field. The 3-ounce tube will retail at 25 cents.

Gaskill Associates to Help You Build Your Code

To the long recent list of management and investigatory people who have recently set themselves up as codifiers there now appears one group who should be better qualified than most. Nelson B. Gaskill Associates, Inc., have been organized at 726 Jackson Place, Washington, "to assist consumer goods industries in obtaining maximum benefits under the industrial control legislation."

Present associates are Robert Miller, Wroe Alderson and James True.

Mr. Gaskill, former chairman of the Federal Trade Commission, is said to have advanced many of the ideas embodied in the Agricultural Adjustment and Industrial Recovery Acts. He is the author of "Price Control in the Public Interest."

Mr. Miller for four years was executive vice-president of the Associated Grocery Manufacturers of America, and formerly was with the Department of Commerce.

Mr. Alderson, statistician and economist with the same department, has made cost studies in various industries—notably the Louisville grocery survey and the more recent National drug store survey in St. Louis.

For eleven years Mr. True has been Washington representative of business magazines.

Two Join ANA

The Western Company, Chicago, Dr. West's tooth brush and tooth paste, and the Carter Medicine Company, New York, Carter's Little Liver Pills, have joined the Association of National Advertisers.

Salt Lake Silver Dollars Boost Indiana Washers

Fort Wayne, Indiana, went on the silver standard a few days ago when 7,000 silver dollars, sent by the Salt Lake Hardware Company as part payment for a large shipment of household washing machines, were disbursed by Horton Manufacturing Company in pay envelopes.

The invasion of the "cart-wheels," however, proved of promotion value to the Horton company, said A. H. Peters, vice-president. They had a ring of prosperity about them, and many Fort Wayne people decided to keep one apiece as a souvenir. A practical joker offering a \$50 bill in payment for a pack of cigarettes was forced to carry away 49 silver dollars as part of his change.



New Product and Jar Give Huston's "Flop" \$40,000 a Month Sale

Unsuccessful in its efforts, some years ago, to break into the highly competitive peanut butter market, Tom Huston Peanut Company, Columbus, Georgia, was undiscouraged. Reorganizing this division of the business, as the Dixieland Products Company, under the direction of A. C. Lewis, whose official title is purchasing agent of the parent company—renaming and improving the product, sales in the last half-year have been built up to \$40,000 a month.

An important part in the success of the new product—which was marketed separately from other members of the "Tom's" line—has been played by a decorative, modern jar, developed by Owens-Illinois Glass Company and an enamel cap made by the Closure Service Company. The 16- and 32-ounce jars are shown above.

H. C. Hutch is manager of the Dixieland Company.

ABC \$100 Washer Outsell Low-Priced Competitors

An improved washer to retail at \$100 is outselling competitive models priced as low as \$39.50, Altofer Brothers Company, Peoria, has found in a survey of department stores in various cities. In certain stores, it was said, ABC units priced between \$70 and \$100 now account for more than 60 per cent of their total washer volume.

The largest Milwaukee store wrote: "The new line shows the best profit and volume of any we carry in the department."

These News Items Make Us Happy!

Indianapolis Branch of United States Rubber Company nears production record. Working 24 hours a day, 7 days a week.

American Foundry Company of Indianapolis to start full-time schedule. 300 men to be added to pay roll.

The Utility Products Corporation, new industry in city, to hire 200 people.

The 25 per cent increase in farm prices has added 24 million dollars to the potential farm income of the 56 counties comprising the Indianapolis Radius, in the first four months of 1933.

In the first five months of 1933, 25.88 per cent of the total New Passenger Car Registrations* in Indiana were made in Marion County (Indianapolis). In April and May of this year, 15.6 per cent of the total State gasoline sales were made in Marion County (Indianapolis).

*Based on Registration figures from R. L. Polk & Co.

Daily industrial and agricultural reports of the Indianapolis Radius bear out the truth of this statement: The diversification of agriculture and industry in the Indianapolis Radius produces a balanced, stable market that quickly benefits from any upward trend.

And here is a happy fact for every manufacturer seeking a profitable market for established merchandise, or an ideal test market for new products: The Indianapolis News can sell the Indianapolis Radius for you . . . ALONE.

THE INDIANAPOLIS NEWS SELLS THE INDIANAPOLIS RADIUS

New York
DAN A. CARROLL
110 E. 42nd Street

Chicago
J. E. LUTZ
180 N. Michigan Avenue

14 Years of Record Breaking

(Continued from page 31)

roduced by us, but has since been adopted by other companies. With each initial order we included for the store manager a cloth and a small piece of linoleum, with directions for applying the liquid wax on the back. The store managers are demonstrators.

"We have found that the chains have played fair with us. They have taken an interest in keeping our brands before their customers. Less than 10 per cent of our output is sold by the chains under their private brands. And no chain has ever cut the prices we recommended. We tell them if the price must be cut, we'll do the cutting.

The Chains Don't Cut

"The store managers have found our products to be worth promoting and we have helped them in various ways to make it worth their while. One medium-size chain is now running a prize contest for the managers—tying in with the spring cleaning season and emphasizing all four of our products. The degree to which they have responded is illustrated by these figures: In May, 1931, their dollar sales of these products in this chain were \$948; in May, 1932, they were \$2,649; and in May of this year \$6,115.21!

"Of course, we have used a lot of deals, but we have tried to work them out carefully so that the stores would not get stuck with surplus merchandise. This has been a factor in our ability to eliminate price-cutting. The only deals we suggest are profitable to the chains.

"One of them, during April and May, was of a giant size bottle of ammonia, regular price 19 cents, with Javex, regular price 15 cents, for 25 cents. This deal was suggested by a chain executive. We tried it primarily to strengthen Javex, the weaker in sales of the two. The first problem was to get the two products together. The glass and corrugated box people could not help us. Finally we decided to use a plain paper bag. The bag was clipped at the top, with a description of the deal lithographed on the outside. A window sticker in each store showed the products separately, so the consumer knew definitely what she was getting. Because of the size and unusual appearance of the bag, these products, usually hidden on shelves, were placed on the counter.

"The deal proved remarkably stimulating to all factors involved. The chains made a normal profit on these

items, but because the deal was featured at a special price most of them promoted it in their newspaper advertising and circulars. The store managers knew that it was a bargain, packaged attractively, so they were glad to display it. And the consumers, their curiosity and their pocketbooks both touched by this mysterious package, at a saving of 9 cents, made the most of it. Our profit came from the fact that we had to put on a night shift to keep up with demand. Usually we manufacture in the daytime only. Our overhead is charged against the day shift. So we were able to operate the night shift at slight additional cost but with more than double the usual volume.

Profits All Around

"Let me give you a few examples of how this deal stimulated sales. One chain bought its normal three months' supply—ten cases for each store—and sold the whole lot in two and one-half weeks. (There are six of the combination units in each case.) Another chain took 40 cases for each of its stores and sold them within a month. The secretary of a third chain organization wrote to his branch managers about the advantages of the two products, especially at the 25-cent price, adding:

"We purchased 800 cases, sending out approximately 360 to the stores. This leaves 440 cases in the warehouse. . . . Our bet is that before the middle of the week (he wrote on a Thursday) the entire warehouse stock will be gone, and before the end of the week the stores will be cleaned out entirely. We feel practically certain that the supervisors are going to come into the office next week, requesting us to purchase another carload of this combination.

"Javex will be carried as a regular item of merchandise, as we know that customers who once try it will come back with repeat orders."

The reporter asked Mr. Dolan and Mr. Isler what they thought of the Industrial Recovery Program. Said they:

"We think it may help the companies which have not been able to keep going by themselves. But we think, too, that there must be something the matter with companies that have to crawl under the Government's wing.

"We hope the Government won't try to cramp *our* style."

come on, get on the band-wagon

Advertising executives need no education in the opportunities the Newark Market offers. In 1932 it was ninth in retail sales and ninth in spendable money income and over 68% of every spendable dollar found its way into retail store cash registers.

Consider that this important market can be effectually covered by one medium—that one advertising schedule will carry your appeal into over 157,000 North Jersey homes daily—that this family contact is the greatest in the market, insured by over 90% home delivery—that the single advertising cost necessary is lower today than thirteen years ago and you will begin to understand why the Newark Evening News leads all week-day morning or evening papers in America in advertising volume.

Things are beginning to gather speed again, too. In an important industrial center like Newark the change of pace is quickly discernible. This means increased spending power, activity and opportunity. Right now is the time to sew up this market good and tight. It's no time for hesitation. Come on, get on our band-wagon!

Newark Evening News

EUGENE W. FARRELL
Business & Advertising Mgr.
215-221 Market Street
Newark New Jersey
O'MARA & ORMSBEE
General Representatives
New York Chicago Detroit
San Francisco Los Angeles

Media and Agencies

The New Agency

Last month John Benson, president of the American Association of Advertising Agencies, said: "Out of this emergency may come a broadening of the agency job, centering on copy and media, of course, but with a keener sense of product design and market possibilities."

Six years ago, Lynn W. Ellis predicted that the agency's job would not be merely bright copy ideas (as Professor Young has found in his study of agency compensation—SM June 1 and 15), but would be to specialize, "if anywhere, in the bigger and broader science of generalship."

Since resigning as an executive of the former H. K. McCann Company (now McCann-Erickson) in 1925, Mr. Ellis has earned

a good living in unorthodox advertising ways. The net income tax return of himself and his wife (she works with him) has averaged \$6,656 in the last four years. Thinking that small agencies would like to be able to provide the nation-wide coverage of larger, without losing their individual identities, he launched the Lynn Ellis group. At Westport, Connecticut, he formed, a few weeks ago, Westport Management Institute, "dedicated to the science of advertising management," which has taken over his work and works along these lines. Mr. Ellis continues as general counsel to the institute, in marketing "generalship."

Under the active direction of five "fellows"—Frank G. Japha, Alvin Long, George A. Martin, C. A. Oswald and Enno D. Winius—the institute is enlarging its professional training "museum" at Westport and establishing "sub-museums" in other cities. It is also appointing sub-coaches from its "alumni" and other co-operators, to spread the message of the new agency to the four corners of the earth.

151,355 Box Tops

"No other advertisement ever published pulled as many box tops," says the Hearst *Comic Weekly*, as has one for Ralston wheat cereal—a full page—which appeared before the weekly's 5,000,000 buyers on Sunday, February 19. In the ensuing three months 151,355 Ralston box tops poured in. The highest day's return was 28,372. They are said still to be coming at a rate of 200 a day.

The cereal sells regularly at 25 cents a package.

The advertisement was an adventure of "Tom Mix and His Ralston Straight Shooters." Every boy and girl, said Mr. Mix, "can join my Straight Shooters. Just send one Ralston box top with your name and address and I'll send you the wonderful things shown here." The wonderful things

included Mr. Mix's illustrated life story, the Straight Shooters' salute, grip, password and secret writing code; a picture of Mr. Mix and Tony (his horse); a straight shooter sweater brand, and a "lucky horse-shoe nail ring, like Tom wears."

Getting a bit old for hard riding, shooting and lovemaking, Tom Mix (now 53) is a pretty able showman still. He has also had a rather thrilling life. Born in El Paso, he has been a cowboy in various western states, has fought in the U. S. Army in the Philippines and in the Boxer trouble of China, and with the British army in the Boer war. He has been a real sheriff and U. S. marshal. In 1909 he won the national riding and roping contest at Prescott, Arizona.

Incidentally, Ralston sales rose 46.9 per cent during this period.

President at 29

Young, even for a radio executive, J. L. Van Volkenburg has become president The Voice of St. Louis, Inc., owning and operating KMOX, at the age of 29. He became sales manager of the station in October, 1932, and director of operations last January. Previously he was manager of the radio department in the Chicago office of a national advertising agency, and before that traveled two years on the Keith circuit as a member of a singing-playing team. He specializes on the pipe organ, piano, trombone and voice.

SEP Shake-up

Drastic changes (for the *Saturday Evening Post*) are involved in the introduction July 1 of two extra pages before reading matter. The masthead on the first editorial page is replaced with subscription data, location of advertising branch offices and the *Post* logotype. The table of contents is moved from the rear to page 2, and announcements of coming features and the index of advertisers goes into the former table of contents position. Two columns of space on the two new pages are devoted to feature and masthead material—the remaining page and one-half going to advertising. These position have been sold for the next 12 months.

Extra Loud Speakers

The "largest public address system in the world" has been installed by Audible Advertising, Inc., New York City, in the form of 12 specially built loud speakers along a mile and a quarter of Long Beach, Long Island. Beach exercises, swimming



He's "box office" to the youngsters.

lessons, dance music, news events, health and beauty hints—and, of course, advertising—are shouted at 725,000 strollers and bathers a week.

Personalia

J. L. Hardig, L. T. Robinson and J. R. Adams have been promoted to vice-presidencies in Campbell-Ewald Company, Detroit, in anticipation of business improvement, especially automotive. Mr. Hardig recently has been assistant general manager, the other two copy writers and account executives. . . . Bill Brothers Publishing Corporation has sold *Automotive Electricity* to Lou Murray Publications, Inc., recently formed at 420 Lexington Avenue, New York. Mr. Murray, for eleven years editor and manager of the paper, will continue in these capacities. L. R. Hudson is advertising manager. . . . H. B. Law, D. V. Chapman and C. E. Shepherd have taken over the advertising business of Bond-Lenz, Inc., Chicago. The new name is Law-Chapman-Shepherd. . . .

Country Life-American Home Corporation, New York, has formed a department of merchandising and research, under the direction of Walter Mann. Mr. Mann, president of Walter Mann & Staff and associate editor of *SALES MANAGEMENT*, will "work out the machinery necessary to speed up sales resulting from current advertising in *Country Life* and *American Home*." The business of Walter Mann & Staff will be directed by Thomas G. MacGowan of that organization. . . .

Howard E. Sands, until recently advertising and sales promotion manager of the Mennen Company, has become vice-president of the Charles Dallas Reach Advertising Agency, Newark. . . . Roy F. Irvin is now general manager of John W. Hunt agency, Los Angeles. He has been head of his own organization there. . . . The News-League (Dayton *News*, Springfield, Ohio *Sun & News*, and Miami, Florida, *News*) have appointed Sawyer-Ferguson-Walker national advertising representatives.

Account Changes

Wahl Company to Young & Rubicam. Graham-Paige Motors Corporation to N. W. Ayer & Son. . . . Curtis Publishing Company (Satevepost account) to Batten, Barton, Durstine & Osborn. . . . Columbia Phonograph Company to Erwin, Wasey. . . . Fada Radio & Electric Corporation to United Advertising Agency. . . . Scripps Motor Company (marine power plants) to L. Charles Lussier, Inc. . . . Fireman's Fund Insurance Company, San Francisco, to Edwin P. Gerth & Company. . . . Glass Coffee Brewer Corporation to Reincke-Ellis-Younggreen & Finn. . . . Edw. B. Hittleman Brewery (Goldenrod and other brews) to Fertig, Slavitt & Gaffney, New York (\$450,000 this year in newspapers, radio and outdoor). . . . National Baking Company, Omaha, and Educator Biscuit Company, Chicago, to Erwin, Wasey. . . . Automotive Equipment, Inc., (windshield wipers), to Aitkin-Kynett Company. . . . Fry Products, Inc., Detroit, seat cover maker for almost every make of car, to Brooke, Smith & French.

Recovery Act Planning

(Continued from page 18)

35. Unfair imitation of trade names or trade-marks.
36. Threats of suits for patent and trade-mark infringement that are not made in good faith, but for the purpose of harassing a competitor.
37. The practice of compelling the purchase of one or a group of products, as a condition to the purchase of a desirable item.
38. Giving advertising allowances where advertising was not actually placed.
39. Loss leader selling.
40. Sales without mutuality—Contracts should be binding equally on both parties regardless of price fluctuations.
41. Hidden rebates through too generous second-hand allowances.
42. Consignment selling.
43. Inducing distributors to cancel contracts with competitors through threats to withhold credit, etc.

(We are indebted to the Grey Advertising Service Corporation, New York, for their assistance in developing part of the above list.)

Responsibility of Sales Executives

It is estimated that there will be a gap of about five months between increased production and the development of markedly increased mass purchasing power. Therefore, sales executives will have the responsibility of bridging that gap. This calls for more intensive promotion and probably will result in a spurt of advertising.

Advertising in the last two years has been held back by several important elements—two of the most important being: (1) Cheap and unfair competition which destroyed profits and nullified much of the good work the advertising program was designed to accomplish; and (2) The utter necessity in many fields of featuring low prices practically to the exclusion of all other selling arguments.

Control of Production

The Silk Association of America feels that planned production, including the right to control production on the basis of ratio of previous production to sales and stock on hand in individual companies, is the only means of eliminating the problem of distress merchandise. The Association has been led to believe in conferences with Administration representatives that such action is within the scope of the Act and will be permitted.

Obsolete Stock

One of the best organized wholesale groups in the country plans to invoke a "below costs" selling requirement in

their code, with an exception permitting the sale of obsolete models below this price but only when duly labeled. Such labeling would protect the public from being misled and would also afford protection from racketeer competition which took advantage of special purchases and foisted them on the public as up-to-date equipment. The National Retail Dry Goods Association likewise is excepting from its "invoice cost plus 10 per cent" seasonal clearances, damaged goods and discontinued lines, provided such merchandise is plainly marked and advertised as such.

Wages and Retail Prices

Dean Hill, executive secretary of the Throwsters Research Institute, has estimated that an increase of 100 per cent in labor costs will increase the retail price of a pair of silk stockings by approximately five cents, or of a silk dress by about thirty-five cents.

500,000 More Employees in Textile Apparel

A. W. Zelomek estimates that if the labor week in the textile apparel industry is reduced to forty hours it will require a half-million more employees in the industry, and that employment of this number, for the first twenty weeks of operation at the minimum of ten dollars per week, would add \$100,000,000 to the "Buy-Roll" of the country.

Established Resale Prices

Manufacturers probably will not be able to establish the resale price of their products in any way which would bind all distributors, but arrangements can be made by individual contracts between the two specific parties.

GE Widens Distribution of Air Conditioners

The air-conditioning department of General Electric Company, now completing its first year of operation, has established the framework of nationwide distribution.

Twenty-one additional dealers have just been appointed—15 of them in the south and southwest selling air-conditioning equipment only, and the others oil furnaces as well.

To Sales Managers...

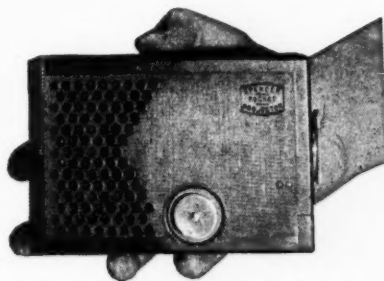
Who don't have to wait 'til the snow flies!

MOST Sales Managers don't expect the usual sales slump this summer—they're equipping and training salesmen to dig and land orders.

If you're one of these men—if you expect your salesmen to do a real job of selling—in the face of real competition—here is one effective piece of sales ammunition to use.

Visualized Sales Training and Dramatized Direct Selling with film slides enable you to get your sales story told and visualized to every prospect, every time, with every sales point made perfectly clear.

One Extra Order Pays for SPENCER POCKET PROJECTOR



20 ozs. of modern sales efficiency!

This Projector weighs only 20 ozs.; is as small as your hand—will do a man-sized job. This finest sales ammunition at its new low price is so low in cost that only one extra order during the year pays for the Projector. But your salesmen will sell many more extra orders with this equipment—and that's when the sales and profits curve jumps upward.

We'll gladly send you full information on this Salesman's Pocket Projector. Write or send the coupon for it today.

Representatives in principal cities

Spencer Lens Company

BUFFALO, N. Y.

----- Mail This Coupon Now! -----

SPENCER LENS COMPANY,
19 Doat St., Buffalo, N. Y.
Gentlemen:—

Please send me full information on your Salesman's Pocket Projector and how it will help increase our sales.

Name

Dept. Company

Address City State

C o m m e n t

WHAT, A SELLERS' MARKET! In most lines of business purchasing agents have been able for many, many months to hammer salesmen (and the heads of business as well) into prices which omitted *profit* and involved disaster. It became quite generally the practice to rob Peter to pay Paul, except that all the Pauls turned out to be Peters for somebody else. The whole theory of profit (not of profiteering, but of legitimate profit) was knocked into a cocked hat and business and banking were left to struggle along as best they could in a nation-wide deluge of profitless selling, rapidly depreciating assets and screwing down of labor. . . . Perhaps a few liked these conditions, but certainly the great majority of business men and of consumers did not. Many would-be authorities, nevertheless, kept preaching the gospel of more and still more deflation as being necessary even though painful. Now, however, (thanks to reflation offsetting deflation in the credit structure) we have a real opportunity to observe and even experience a reversal of the conditions mentioned above. Prices are going up. Assets are appreciating. Labor is getting a better break. Profitable selling is gaining on all sides. Purchasing agents are growing plaintive about deliveries and are getting scared to quibble much about prices. Salesmen and the executives behind them are waxing bolder. In short, a sellers' market is currently in the making. The bears in many lines are in for a drubbing—a drubbing which will meet with popular approval. And withal, the mighty science of sales management, which is to say the great *human* art of selling, is coming into its own. Under the new order production genius and financial genius will both be subordinate to sales genius. And by the same token the human equation will again be restored to its rightful place in business. Competition, moreover, will receive greatest attention on the selling side, which means that big business and little business will again have an equitable opportunity for success without danger of starvation brought on by Titanic struggles to see who can stand the most red ink for the longest period.

THE ADVERTISING OUTLOOK: The biggest task which still confronts America is to provide work for the vast army of unemployed but willing workers which still remains in our midst. Production without consumption is futile because it leads to surplus inventories followed by liquidation prices, profitless selling and all the other evils of a buyers' market. On the other hand, if we can but find the means of increasing consumption, then we know we have a sound basis for stepping up production and a sure method of increasing employment. Of all the methods at the command of business men, none is more potent than advertising when it comes to increasing

consumption. . . . There are many forms of sales promotion and of advertising which, when properly conceived, are the essence of sales promotion. It is not the purpose of this editorial to distinguish between the relative value of different forms of advertising which can be used for sales promotion. To argue thus would be much like arguing which are better, blondes or brunettes—or red heads? And besides, variety of attack is needed to reach maximum effectiveness. . . . But it is very much the purpose of this editorial to emphasize the vital importance of advertising—and of advertising now—in order not only to increase the success of your individual business, but also the *employment* success of business as a whole. The real test of advertising is the ability with which it is used and not in its ability to produce results. It is not an exact science—neither is selling, for both are too human. The cost per dollar of sales goes up as sales approach nearer and nearer to a maximum, for that is logical. But to speed recovery and to relieve unemployment we must soundly increase consumption by the use of our best proved, most experienced force, advertising. We have had an era of giving for this and that relief campaign. We know now that sort of thing is only a stop gap. *Today, advertising is not only smart business—it is a patriotic duty.*

INDUSTRIAL CONTROL DEVELOPMENTS: It is becoming increasingly clear, once wage scales, shifts, and hours of the working week have been stabilized in industries vertically, that the principal effects of the new Industrial Control Act and the marketing phases of the recent Farm legislation will concern chiefly the selling side of business. Quite a few industrialists have been quick to realize that such will be the case, but some of these "enterprising souls" have also committed the unpardonable crime of seeking the adoption of trade codes which would through certain provisions foster trusts, exterminate competitors and force certain members of an industry to abandon policies long sanctioned by law, the abolition of which would not be provably in the public interest, would not be fair and would in effect amount to confiscation of private business. In some cases labor also has sought more than the traffic can bear. . . . There must be a sense of fair play, and of justice in these trade codes if the program is to succeed, and progress is sure to be expedited if conferees will get into their heads once for all that the BIG objective is not to provide competitive advantage, but rather to provide mutuality of opportunity for business both big and small to the end that profitless selling may be eliminated all along the line.

Ray Bill

GE's "Man Hunt"

(Continued from page 15)

3,505), Salesman F. P. Best, of the Arkansas Power & Light Company, sold 11 refrigerators in one day.

Rex Cole, New York distributors, closed \$475,000 in sales and deliveries during the final week of the campaign. The week ended June 3 (finale of the campaign) was the best week enjoyed by both Dallas and Ft. Worth retail stores of Electric Household Appliances, Inc., since they began operation. Sales for the week totaled \$72,000.

Greybull (pop. 1,806), Worland (pop. 1,461), and Lovell (pop. 1,857), Wyoming, certainly do not sound as though they would make a very fertile territory for any salesman to work, yet Don Germond of Mountain States Power Company pulled orders for 17 refrigerators out of these towns for a total of \$3,095.

For the Man Hunt drive, distributors were assigned quotas in dollars, covering dishwashers, ranges and refrigerators. Distributors, in turn, broke down this quota among power and light companies, dealers and the distributor's own sales department. Each of these factors made a third breakdown of quota among sales divisions, branches and individual salesmen.

In the national phase of the drive, greater emphasis than ever before was placed upon competition between distributors in each of the seven big sales districts.

Designed so that each local distributor, power and light company or dealer could set up his own rules for local competition, the drive gave each organization a better opportunity to fit this Man Hunt activity to their own specific type of sales structure and facilities. GE made practical and concrete suggestions, however, as to how local prizes might be awarded.

General Electric set up a part of the national prize plan, an award of 100 free trips to the Century of Progress Exposition at Chicago. These trips were divided among distributors according to the size of their quota, and distributors were given the privilege of awarding the trips in any way which seemed most suitable to their organization set-up. The only condition was that for every free trip paid for by GE, another was to be awarded by the distributor himself as part of his local prize plan. Around 400 men attended the sessions in Chicago last week, when the trips were made.

GE, following its usual procedure in staging one great drive after another, already has under way a "Mop Up" Campaign which covers the period June 5 to July 8.

THIS CONCERNS YOU, YOU, AND You

● And every other human. Because all of us have or have had personal problems. Intimate, strictly personal problems, which to the outside world or even to close friends might be considered infinitesimal but to you are really *vital* matters.

While one of these personal problems of yours is awaiting a solution, you will simply testify that nothing else in your life is paramount, nothing else can actually command your complete attention. Of course, you make an effort to carry on as usual. Nevertheless, whatever you are doing—knocking out a piece of copy, interesting a client in a new campaign or talking up your department to the chief—that nemesis, your problem, keeps popping up.

Forget it? Just try! Take a week-end cruise to Bermuda, climb Pike's Peak or slip down to Coney and flop into the Surf. No use. You will find that personal problem of yours is omnipresent. There is no escape from it. Until you do find a satisfactory solution for it, that personal problem plagues you night and day.

Realizing the direct relation of personal problems to one's happiness and success, the editors of *Physical Culture Magazine* have always made it their business to assist readers in arriving at a solution of their personal problems. In fact, it has been an editorial tenet of this magazine since the very first issue 35 years ago.

Without solicitation or contest, thousands and thousands of letters dealing with personal problems flow constantly across the desks of the editors of *Physical Culture Magazine*. Frank, serious communications seeking advice on a hundred and one varieties of pertinent personal problems, ranging from how to keep a

snippy wife happy to what to do with a wayward daughter. All sincere questions from interested readers—real humans even as you and I—who simply want confidential, authoritative aid to solve problems which are making their daily lives miserable.

In not a single instance among these hundreds of thousands of personal problems letters received over a period of 35 years has *Physical Culture*, the friendly and understanding magazine, let a reader down in his dilemma.

Regardless of whether the personal problem is health, family relationship, diet, child care or psychological, *Physical Culture Magazine*, through its varied editorial programs, replete with timely, authentic articles dealing with similar situations and invariably written in the first person, has enabled these thousands and thousands of troubled readers to find the right answers to their particular problems.

Repeatedly rendering the right assistance when it is most urgent is what cements reader loyalty for *Physical Culture Magazine* among its quarter million staunch adherents, the same feeling of comradeship which you have for a pal who has gone the limit to lift you out of a tough spot.

That high calibre of unfailing loyalty effects a certain type of genuine reader support and responsiveness that cannot be found anywhere else, save among the quarter of a million regular readers of *Physical Culture Magazine*.

John F. Learter

AN ADVERTISEMENT FOR PHYSICAL CULTURE MAGAZINE

115 Bright Spot Cities

Business Activity as Measured by Bank Debits

BUSINESS in May was almost up to the 1932 level of the same period. The country as a whole, with New York City excluded, averaged 92.1 per cent of last year, and with New York (which was helped along by the big boom in the stock market) the average was 101 per cent of last year.

More than fifty bright spot cities in the list that follows had a business activity index greater than in May of last year, and this list includes such large centers as Albany, Syracuse, Harrisburg, Pittsburgh, Jacksonville, Miami, Des Moines, Memphis, Minneapolis, Dallas, Houston, Oakland, San Francisco and Portland.

During the last fortnight several readers have asked for a definition of bank debits. Briefly, they are all charges to individual accounts, and are a record of at least 90 per cent of all

commercial transactions. This makes them—theoretically at least—the best single index of business activity in any section and they fluctuate with the changes in retail and wholesale prices. The only time when they fail to mirror conditions is when there is an epidemic of bank closings.

Relative standing is the relationship of the individual city or district for the current month with the country as a whole.

The cities presented herewith are those which equalled or exceeded the national average.

The complete list of 262 cities is available monthly at a subscription price of \$2.00 a year. Mimeographed copies are sent to subscribers by first class mail on the 20th of each month.

BANK DEBITS ('33 as of '32) Trading Area Pop. (000 omitted) Apr. % May % Yr. to Date % Relative Standing					
U. S. A. Average (excl. N. Y. C.)		75.5	92.1	80.5	100
Boston F. R. District		70.6	94.9	79.5	103
Bangor, Me.	35	89.1	103.4	88.4	112
Boston, Mass.	2,835	69.3	99.0	80.4	108
Fall River, Mass.	138	78.5	99.3	84.3	108
New Bedford, Mass.	154	73.7	96.7	84.1	105
Manchester, N. H.	174	71.1	91.8	86.6	100
Providence, R. I.	833	78.5	93.5	81.2	102
New York F. R. District (excl. N. Y. C.)		69.4	99.3	80.5	108
Albany, N. Y.	510	73.4	116.8	84.1	127
Binghamton, N. Y.	153	73.1	97.4	82.2	106
Buffalo, N. Y.	1,015	75.8	94.8	81.1	103
Poughkeepsie, N. Y.	130	72.4	93.9	80.0	102
Syracuse, N. Y.	450	77.5	101.7	82.1	110
Philadelphia F. R. District		75.8	89.2	84.1	97
Wilmington, Del.	244	74.0	97.6	79.3	106
Harrisburg, Pa.	262	90.3	100.5	95.9	109
Cleveland F. R. District		70.9	82.9	77.0	90
Canton, O.	290	79.7	102.2	86.6	111
Middletown, O.	51	70.4	102.4	80.9	111
Warren, O.	607	77.4	122.0	88.0	133
Zanesville, O.	130	81.7	94.0	78.6	102
Pittsburgh, Pa.	2,000	78.1	102.6	86.6	111
Richmond F. R. District		76.4	86.0	79.8	93
Charlotte, N. C.	650	87.2	108.0	88.9	117
Durham, N. C.	250	108.4	134.4	104.4	146
Winston-Salem, N. C.	200	87.9	120.6	88.3	131
Charleston, S. C.	285	67.6	94.4	78.5	103
Greenville, S. C.	300	76.7	126.3	84.1	137
Danville, Va.	160	88.6	92.3	84.2	100
Lynchburg, Va.	160	81.7	96.6	84.5	105
Portsmouth, Va.	160	78.9	97.1	80.0	106
Richmond, Va.	313	85.3	99.4	91.7	108
Charleston, W. Va.	344	76.1	118.4	88.6	129
Atlanta F. R. District		67.8	93.5	80.0	102
Birmingham, Ala.	742	74.5	92.5	77.0	100
Dothan, Ala.	300	76.5	133.4	90.2	145
Mobile, Ala.	288	70.4	94.1	77.1	102
Montgomery, Ala.	470	83.8	117.0	89.4	126
Jacksonville, Fla.	313	85.2	102.7	91.3	111
Miami, Fla.	164	85.3	116.2	85.4	127
Pensacola, Fla.	75	79.0	110.0	90.6	119
Atlanta, Ga.	1,341	82.5	95.8	85.9	104
Augusta, Ga.	387	87.6	106.3	80.6	115
Brunswick, Ga.	65	71.4	94.0	81.0	102
Columbus, Ga.	202	80.0	99.8	81.2	109
Elberton, Ga.	100	68.0	91.7	82.0	100
Macon, Ga.	500	80.3	107.8	80.4	117
Newnan, Ga.	100	127.2	154.1	108.0	167
Savannah, Ga.	372	76.4	99.6	78.8	108
Valdosta, Ga.	16	68.3	105.6	80.0	114
New Orleans, La.	843	48.0	92.1	75.4	100
Hattiesburg, Miss.	178	77.8	96.3	80.7	104
Jackson, Miss.	324	100.9	96.1	94.7	104
Meridian, Miss.	250	105.3	119.0	95.9	129
Vicksburg, Miss.	23	98.1	116.1	98.7	125
Nashville, Tenn.	861	87.0	91.7	85.9	100
Chicago F. R. District		74.2	88.8	77.4	97
Chicago, Ill.	4,532	76.3	99.5	83.6	108
Peoria, Ill.	210	78.7	92.4	81.2	100
Rockford, Ill.	353	75.4	114.1	80.3	124
Terre Haute, Ind.	190	85.7	94.1	85.8	103
Des Moines, Ia.	891	75.3	103.6	90.6	112

BANK DEBITS ('33 as of '32) Trading Area Pop. (000 omitted) Apr. % May % Yr. to Date % Relative Standing					
Mason City, Ia.	153	79.6	95.0	77.4	103
Sioux City, Ia.	103	78.0	110.7	80.4	120
Battle Creek, Mich.	85	85.9	97.6	72.7	106
Milwaukee, Wis.	103	78.2	94.6	84.5	103
Sheboygan, Wis.	108	82.0	100.0	84.8	109
St. Louis F. R. District		79.3	93.4	83.4	102
Helena, Ark.	85	105.7	95.2	100.0	103
Little Rock, Ark.	660	58.7	94.0	75.0	102
Pine Bluff, Ark.	189	...	99.0	81.4	108
E. St. Louis & Nat. Sk. Yd., Ill.	175	71.1	99.8	82.1	109
Louisville, Ky.	708	85.6	96.3	91.4	105
Greenville, Miss.	15	77.3	112.1	74.3	122
Sedalia, Mo.	21	78.0	99.0	78.0	108
Springfield, Mo.	261	84.2	93.0	88.9	101
Memphis, Tenn.	927	80.0	104.4	89.0	113
Minneapolis F. R. District		90.5	109.2	89.0	120
Duluth, Minn.	377	96.9	94.8	86.5	103
Minneapolis, Minn.	567	96.8	119.2	94.3	130
St. Paul, Minn.	366	81.5	98.2	81.9	107
So. St. Paul, Minn.	35	67.4	105.6	65.2	114
Billings, Mont.	13	77.4	94.5	83.2	102
Helena, Mont.	22	101.9	111.9	94.5	122
Dickinson, N. D.	...	62.7	92.5	70.0	100
Jamestown, N. D.	80	79.1	95.7	77.6	104
Sioux Falls, S. D.	209	90.4	103.7	85.7	113
Kansas City F. R. District		79.9	94.3	82.2	102
Colorado Springs, Colo.	54	82.5	93.8	82.1	102
Denver, Colo.	375	80.9	91.6	85.6	100
Atchison, Kans.	26	79.7	101.5	81.8	110
Hutchinson, Kans.	75	87.9	116.5	77.8	127
Lawrence, Kans.	40	76.4	98.5	78.5	107
Pittsburgh, Kans.	98	87.3	92.6	84.4	100
Topeka, Kans.	350	96.0	99.6	88.1	109
Joplin, Mo.	250	106.0	118.6	110.0	129
Kansas City, Mo.	900	78.0	95.5	85.1	104
St. Joseph, Mo.	306	76.4	98.8	76.9	107
Omaha, Nebr.	350	76.5	97.7	79.7	106
Bartlesville, Okla.	54	110.1	118.6	113.2	129
Enid, Okla.	190	86.4	112.0	80.7	122
Guthrie, Okla.	55	76.1	110.0	84.4	120
Muskogee, Okla.	140	79.3	96.6	83.6	105
Oklahoma City, Okla.	926	87.5	96.0	79.8	104
Okmulgee, Okla.	96	81.4	95.9	83.0	104
Cheyenne, Wyo.	67	87.6	94.4	88.4	102
Dallas F. R. District		85.2	96.2	84.4	104
Abilene, Tex.	163	95.0	106.7	90.6	115
Corsicana, Tex.	...	69.0	98.1	68.2	106
Dallas, Tex.	831	86.3	100.9	84.3	110
Galveston, Tex.	85	83.8	93.7	78.1	102
Houston, Tex.	539	89.2	104.9	92.9	113
Texarkana, Tex.	275	61.8	107.5	74.7	116
Waco, Tex.	275	80.1	106.4	82.4	115
Wichita Falls, Tex.	239	75.2	97.4	82.4	106
San Francisco F. R. District		79.3	97.7	83.0	106
Phoenix, Ariz.	250	78.0	96.6	74.9	105
Bakersfield, Cal.	72	74.4	112.5	83.8	122
Long Beach, Cal.	300	74.4	92.8	74.9	101
Los Angeles, Cal.	2,313	75.8	94.3	79.8	102
Oakland, Cal.	586	103.8	108.6	96.5	118
San Francisco	1,631	78.9	102.8	86.0	111
Reno, Nev.	37	52.3	91.8	64.7	100
Portland, O.	475	89.7	103.8	86.7	112
Ogden, Utah	65	105.7	108.1	87.7	117
Salt Lake City, Utah	243	82.8	98.2	79.6	107
Seattle, Wash.	513	75.8	92.6	78.0	100

Four Star Salesmen

(Continued from page 17)

man soon discovered the reason. Competition had scared the buyer by telling him many GE machines had to be taken back because of faulty mechanics.

Reina, angry, pulled out a commission check for \$135, and offered the prospect the full amount if the competitive salesman could show one GE that had been displaced because of faulty machinery.

The prospect took him up, phoned the competitive salesman and arranged to have him come right over. When the competitive salesman arrived the customer told him that it was time for a showdown and that he would make \$135 if they could find one GE that had broken down. It was then 9:30.

Though the competitive salesman was on the spot, he finally remembered of a case six miles away. So the customer and two salesmen rode six miles to call on a woman who had recently turned in her GE refrigerator. When they got there, however, they discovered that there was nothing wrong with the GE. It had been turned in only because she could not continue to pay.

Needless to say, Reina reinstated his order.

Siegmund's First Sale

Now let's see how the man who gave Reina such a run for national honors last year works and plans.

On January 8, 1928, Frank Siegmund answered a Rex Cole advertisement in the newspapers. He had been a printer for eleven years and, when his company merged with another, he lost his job. Having been interested in selling for some time, he had taken a spare time sales course the year previous. The loss of the job and the advertisement presented the opportunity he wanted, so he joined the Rex Cole sales force to sell GE refrigerators.

After his initial training, Siegmund pulled doorbells for a month before he made his first sale to a couple with a new-born child. Where formerly he had given a routine story, this sale presented a new angle and he sold the refrigerator on the necessity for keeping the child's food in the right condition. This spark of sales ability has developed until today Siegmund is one of the two top Rex Cole salesmen and was in 1931 the leading refrigerator salesman of the entire GE force in the United States.

Here is Siegmund's record. In 1930, when he finally hit his stride, Siegmund was second highest Rex Cole salesman, beaten only by the man who is now his branch director. In 1931 he led the entire GE organization. In 1932 he slipped just a few points under Al Reina, who carried first honors.

Once Sold, They Stay Sold

When Siegmund sells a prospect he stays sold. Proof of this is that in his five years of selling experience he has never had a cancellation of a trial order. Nor is he the kind of salesman who insists on rush deliveries.

Frank Siegmund attributes his success to knowing his story and telling this story as often as possible every working day. For instance, he canvasses daily and tries to make at least forty or fifty canvassing calls. These ought to secure three evening appointments and out of these three one usually buys. Thus, Siegmund depends on "cold turkey" for 60 per cent of his business. Another 25 per cent of his business he is able to develop from leads he secures working his customers every afternoon. The remaining 15 per cent come through the showroom.

Siegmund finds that his sales come in proportion to the work he puts in. He has had to work for every sale and only once in his selling career was an order literally tossed at him. He had been giving his story in the store of a jeweler, trying to sell that man a refrigerator for his apartment above the store. The jeweler finally tried to put him off. As he did so, however, a man who had been listening, unknown to Siegmund, butted into the conversation to ask the price. Siegmund soon found out that this man had been impressed by the story he had given the jeweler and wanted to see the machine. Siegmund took this jeweler's customer to the showroom, showed the machine and got an order. The buyer had wanted a machine to give to his wife on her birthday.

This salesman, who has sold more than a thousand refrigerators, finds that his sales tools are his best friends. He is never without them. Though he may change his story to suit his prospects, he always lets the sales tools help him do the job. Where Siegmund, in good times, sold the many plus advantages of the refrigerator, particularly convenience, he has found that the scarcity of prospects makes it

necessary to suit his solicitation to depression times and sell the economy of the machine. Because competitive salesmen also sell economy, and in many cases have not taken the trouble to know their true cost figures, Siegmund makes it a point to understate refrigerator savings. He likes nothing better than to sit with a housewife and her husband and show them, point by point, how they save money with a GE. If you do this thoroughly, Siegmund will tell you, you do not have to worry about price-cutting.

Siegmund expects to sell a lot of refrigerators this year. He has already made quota. He expects to sell not only because he has been able to sell but because he finds a definite pick-up among his customers. The recent inflation talk has scared several of his prospects into buying before the price of refrigerators goes up.

When SALES MANAGEMENT asked John A. Stevenson, vice-president of the Penn Mutual Life Insurance Company, who was the best insurance salesman in this company, he said: "I nominate Thomas M. Scott. From my point of view, I consider him one of the most successful life insurance salesmen in the United States, not only for our company, but for all companies. One of his outstanding characteristics is that he writes a larger number of lives each year. He has led the Penn Mutual force for thirteen out of the last fourteen years. His average for a ten-year period is 152 lives per year."

From Foods to Insurance

So we went to see Mr. Scott.

Back in 1906 this chap was assistant sales manager of a food company in Philadelphia. When he bought his first life insurance policy he told a friend about it. This friend wanted to take on some insurance too. That gave Scott the idea that he could sell life insurance policies to several of his friends and acquaintances, with the result that he arranged to sell for Penn Mutual on the side.

Being new to Philadelphia, he didn't rely solely on friends, but cold canvassed one neighborhood for a night. The next night he went to a different section of town, to minimize any sales resistance he might meet. He sold several policies that way and decided to make insurance his life work. To maintain his rate of income, however, he took an office job with Penn Mutual and continued to sell in the evenings. He doubled up in this way for five years, learning more and more about insurance and selling an increasing number of policies, so that by 1911

he had more than \$600,000 insurance in effect, with the work of his last year alone having netted him \$300,000 in face value of policies.

Such heavy sales in one year, with only part-time work, convinced Scott that he was finally in stride and that he could easily make the income he wanted if he gave up his office work and did nothing but sell.

He Believed in Himself

That belief in himself has proved out strikingly well since 1911. He has never sold less than a million dollars' worth of insurance since 1919. Over a period of ten years his average production has been 152 lives yearly, a \$1,843,000 yearly volume with premiums averaging \$61,662. On two occasions during the past three years he has exceeded his quota of \$2,000,000, and on three other occasions reached 75, 80 and 90 per cent of his quota.

Nor has Scott achieved only monetary rewards. He qualifies regularly for the Penn Mutual Luncheon Club and has been its president, vice-president and runner-up on many occasions. This luncheon club is an award for sales leadership and to be president the salesman has to lead the force in amount of policies sold for the previous month. To be vice-president he must lead in the number of new lives insured. Scott also has qualified regularly for the Penn Mutual Leaders' Club ever since its founding. Since July, 1932, when he was national and eastern president of this club, he has held the office several times and at present is national and eastern president again.

Life insurance colleagues, outside of his company, have also honored Scott. He is an ex-president of the Philadelphia Association of Life Underwriters and the present chairman of the Committee of the Philadelphia Association of Life Underwriters to Cooperate with Fiduciaries. Scott is also a past vice-president of the National Association of Life Underwriters and a member of the Board of Directors of the Philadelphia Association at the present time.

Scott's rise has been even, inevitable. So is his daily work. Scott makes the most of his time, and arranges his work in such a way that much of the day is spent in the presence of prospects and customers. To do this Scott prospects in such a way as to eliminate those who are not now in a position to buy, a group which has increased noticeably since the depression.

Because Scott sets quotas for himself and tries to outshine the other

men in his agency, he is continually on the go—pressing hardest when the going is good because he finds that then the salesman has a definite working rhythm that brings about closings.

To keep himself as much as possible in the presence of prospects, Scott uses his customers for contacts. But you can't just ask a customer to recommend you, Scott will tell you. You've got to do such a real service job with every customer and make him so satisfied that he will help you make sales. A case in point is a \$2,650,000 job for a total of 61 policies, which Scott sold this year. Part of this amount was given to other agents who had personal tie-ups with the officers of the company.

Over a period of a few years Scott had built the insurance account of a Philadelphia lawyer up to about \$100,000. Throughout this time Scott had given him such service that when this lawyer corporation client was considering a joint insurance policy for 12 of its executives, he went out of his way to recommend Scott. This recommendation gave Scott the inside track on the problem to be solved as well as the proper contacts with the important parties. Scott merely applied the principles that had proved successful in making the lawyer satisfied and walked off with the largest order he has ever sold.

Giving customers service, on the Scott plan, is not limited to large clients. Many of his big clients today started with Scott many years ago with minimum policies. In fact, one such customer now holds a \$600,000 policy. One of his very smallest clients has started a chain that has led to nine more clients, all of them sizable.

Side-stepping Competition

In selling, Scott never lets himself get trapped into price competition. He will not meet any other firm on price. Scott feels that any life insurance salesman who gets competitively involved in this way is not selling his best. The very basis for Scott's sales is the making of special recommendations for his client, recommendations that fit very definite needs of the prospect. Thus Scott tailors his solicitation in such a way that competition can never give the prospect the same bill of goods.

This same method of tailoring precludes any use of a standard solicitation. Scott has no pet method. His only rule of selling is to take a real interest in his prospect and his problems. A real interest in giving the prospect what is best for him makes

it important that Scott keep abreast of the latest in insurance writing. Consequently he maintains a regular course of reading of current insurance books and pamphlets. But because his clientele is widespread, Scott also keeps up on business and world topics by reading many magazines and books.

Number four on our first list of stars is a Ford salesman—Earl N. Murphy of George Holzbaugh, Inc., Detroit. Murphy won first honors in the only national contest promoted by Ford in the past several years. This contest ran from November 20, 1930, to January 21, 1931. During the 70-day period Murphy sold 186 passenger cars, 11 trucks and "probably 15 or 20 used cars." At the same time Murphy won a second trophy for ranking first in the Dearborn district.

Plans Plus Hard Work

Earl Murphy has been selling Ford cars for about 11 years. He never had another job. During this time he has been employed by two Ford dealers in Detroit. Murphy's claim—and it was corroborated by his boss—is that there has never been a month when any salesman in the same organization outsold him. In 1929 he sold about 485 cars and earned about \$14,000. Although he has since been handicapped on several occasions by having no cars to sell, due to changes in models and delay in obtaining new cars, Murphy has averaged a sale a day throughout the depression.

Planned selling and plenty of hard work account for Murphy's record. While he usually makes 10 or 15 calls a day, this varies widely, since some calls take much longer than might be anticipated. Like Al Reina, Murphy has learned the knack of getting leads from satisfied buyers—more than half his sales are made to leads from this source; others come from canvassing, telephone calls, newspapers, "everywhere imaginable," he says.

"I set monthly quotas for myself," Murphy told SALES MANAGEMENT. "Then I watch my results from day to day. If I find I'm running behind, I work longer hours. If I'm running ahead, I work just as hard anyway."

Because the Ford is a low-priced car, this salesman seldom meets price objections. When he does he stresses performance, construction, long life, reputation of maker. He now sells quality harder than he has ever sold it.

It is not an uncommon thing for Murphy to sell six or eight cars a day. When the reporter asked him what he considered his hardest sale, he told of a call on a big, grouchy woman to

whom he talked on the front porch. She wasn't interested, she said, and she indicated clearly that she would like to terminate the interview. Murphy persisted. Then she lost patience and ordered him off the porch. Something told Murphy he shouldn't be discouraged. So he went around to the back of the house and renewed his efforts. He explained that he just wanted to give her a ride in a car so that she could judge for herself whether she really wanted one. She finally consented. As the demonstration progressed she began to evince interest. On reaching home she signed up for immediate delivery.

"Demonstrations Sell"

Murphy plans each day's work the evening before, or early in the morning. While he is seldom able to follow his schedule to the letter, he thinks it's helpful to make a plan anyway. He works on an average of 12 hours a day, usually on Saturdays and Sundays also. He uses all the sales helps supplied by Ford, with special emphasis on frequent use of the demonstrator. "Demonstrations sell," Murphy says, simply.

Murphy is a dynamic type, slender, medium height, with black hair and an infectious smile. He is 26 years old. Recently he has acquired an interest in the Holzbaugh business, sharing in the management of fifteen other salesmen to some extent, although his time is almost wholly devoted to selling.

(In the next article on star salesmen, SALES MANAGEMENT reporters interview a star oil burner man, two men who have made a striking record selling hosiery and related items house to house, and another life insurance salesman.)

"Economy" Theme Doubles Austin Sales to Salesmen

On the basis of economy of operation, American Austin Car Company has doubled its sales to salesmen in the last year, R. O. Gill, president, tells this magazine. The increase was ascertained by a vocational study of purchasers.

With travel allowances to salesmen using their own cars reduced from 10 cents a mile in 1929 to 4.8 in 1933, Mr. Gill adds, many salesmen are taking advantage of Austin's one-cent-a-mile operating cost. On a 5-cent allowance basis certain salesmen, traveling 200 miles a day, are able to make \$8 extra.

The company claims that the little car will do 40 miles on a gallon of gas, 1,000 miles on a quart of oil, 30,000 on one set of tires.

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Markets

Market Analysis of Cities Over 25,000 Population in Eight Western States: Based on the U. S. Census of Retail Distribution for 1930, city circulations as shown by A.B.C. audits, and per capita sales as shown by the Erwin, Wasey & Company Major Retail Markets, a highly condensed analysis of Far West principal trading centers has just been published. Williams, Lawrence & Cresmer Company, representing newspapers in a number of these markets, drew up and sponsored the study. It is condensed to fill a fourfold single sheet of paper, for quick observation of the figures and standings in the following items: population, total retail sales, grocery store, drug store, automobile dealer, tire and accessory, department store, hardware store, household appliances, variety store, and lumber and building material sales. These items are broken down for each of the thirty cities, and totaled for each of the eight states—California, Washington, Oregon, Utah, Idaho, Arizona, New Mexico, Nevada. A valuable compilation for firms doing business in this area.

Industrial Standards

American Standards Year Book: Significant at a time when all industry is undergoing standardization is this 1932-33 report of the American Standards Association. The Association is a federation of 39 technical and trade associations and Government departments, serving as a clearing house for industry to carry out standardization projects to the national stage. Insofar as standardization aids the

process of distribution by quickening customer acceptance of products, eliminating indecision in both production and utilization, it is of utmost importance in the distribution and merchandising of goods. The Year Book lists all the accepted and uncompleted standardization projects, with cost of each available report; and is accompanied by a brief booklet discussing the moot question—"Does Industry Need a National Standardization Agency?" as related to the work of trade association or technical societies, and the work of the Federal Government. Recommended to any marketing executive of a company not already familiar with this work and its ramifications.

Direct Mail

U. S. E. Mailing Guide: In view of the current interest in postal rates occasioned by the return of 2-cent local mail

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